



# Report



## Final Evaluation of the Supporting Change and Impact Fund

Final Report – January 2014



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# Foreword

Supporting Change & Impact was a package of support for grant holders in England, offered at a time when many were coming to terms with an uncertain economic environment. Its aim was to ensure that grant holders were better able to sustain the benefits of their projects. It was welcomed as a timely resource.

This independent evaluation looks at both the Supporting Change funding for organisation and business development support linked to improving sustainability, and the Supporting Impact element, which provided continuation funding for projects deemed to have performed well. We hope the findings will be useful to all those involved in using, providing, or funding such assistance.

Subsequent to this evaluation, we launched a scoping study in December 2013, which will bring together evidence about what works in supporting organisations to deliver outcomes more effectively and sustainably; This is due to report in the summer of 2014. It will help us and, we hope, others shape the way in which we approach future initiatives to build the body of knowledge we are gathering about how to deliver support more intelligently.

Andrew Hudson

Senior Advisor, Big Lottery Fund

# Contents

Terms used in this report	2
<b>1. Executive summary</b>	<b>3</b>
1.1 Summary	3
1.2 Overview of key findings, implications and recommendations	4
<b>2. Background</b>	<b>8</b>
2.1 Introduction	8
2.2 About Supporting Change and Impact	8
2.3 About the evaluation methodology	10
2.4 Limitations and challenges of the evaluation	12
2.5 Recommendations	13
<b>3. Detailed evaluation findings</b>	<b>13</b>
3.1 Design and implementation	14
3.2 How the fund was used	17
3.3 What has been the impact of funding?	24
3.4 Recommendations	43
<b>4. Conclusions</b>	<b>44</b>

## Terms used in this report

**Supporting Change** – refers to the discrete fund of up to £10k focused on issues around governance, sustainability.

**Supporting Impact** – refers to the additional funding of up to one year which was available to around one third of grant-holders supported by the funding.

**Direct grants** refer to those grant-holders that were already being funded and managed by the Fund

**Portfolios** refer to Wellbeing and Changing Spaces programmes which were led by a Portfolio lead who managed the funding on behalf of the Fund

**Sustainability/project sustainability** – refers to the improved financial sustainability of a project/organisation which is achieved by reducing dependency on grants provided by a single funder.

**SCID** – refers to the Supporting Change and Impact Drilldown tool developed to gather insights from 100 grant-holders over the course of the evaluation

# 1. Executive summary

The following provides a short summary of the findings and recommendations from the evaluation of the Supporting Change and Impact Fund (SCI).

Supporting Change and Impact was a funding package provided by the Big Lottery Fund in England, designed to support existing grant-holders develop plans for their future sustainability and to enhance their impact:

- **Supporting Change** was a grant of up to £10,000 for which grant-holders could use to fund organisation and business development support linked to improving sustainability such as business planning/development and fundraising
- **Supporting Impact** was up to an additional year's worth of project continuation funding to help grant-holders extend the impact of their project or to support an effective project closedown which mitigated the impact on beneficiaries. 1105 grant-holders secured Supporting Change funding of which 392 also received Supporting Impact.

## 1.1 Summary

The Supporting Change and Impact Fund has been welcomed as a timely resource. There has been a clear sense of gratitude to the Fund from grant-holders for developing this funding, which has given them the breathing space and resources to dedicate their energies towards achieving greater sustainability and impact for their beneficiaries – whether through developing their work, or managing the wind-down and legacy of a project. Although grant holders expressed a high satisfaction rate with the funding package there was some need for greater clarity about the purpose of the two strands of the fund, and grant-holders have provided useful suggestions for how similar funds could be used and developed in the future. In particular grant-holders felt that they would have welcomed support to understand the differences of the two funds and how their project would best benefit from the support, at application stage. In hindsight they also felt that there could have been guidance to ensure that they made informed choices about the different approaches and methods to support their projects.

A longer period is needed to observe the full effect of the fund on sustainability, and it is inevitable that in the economic climate, some of the funded projects (and in some cases their organisations) have closed. We have learned about how grant holders used the funding in these circumstances to manage wind down-and mitigate impact on beneficiaries. However, grant holders have also reported that the funding has enabled 58% of projects with both strands of the package to reinforce their project's journey towards greater sustainability, and that many others have used the success of their project outcomes to promote their wider services to other funders, stakeholders and their community.

Grant holders who were eligible to receive Supporting Change and Impact were drawn from a wide array of funding programmes and so each had very different circumstances; They felt it was important that they were able to diagnose their own needs and source the support that they felt would help them achieve greater sustainability or impact –relevant to the particular nature of their work. Grant-holders also reported that they have access

to the support they believe they need and do not readily use directories or other tools to source alternative support more widely. We also found that support was mostly sourced from existing contacts and networks and in some cases from organisations not necessarily associated with traditional VCS support. However, evidence suggests that grant-holders' choice of support might not have been as effective as it could have been.

In taking forward its work on Building Capabilities for Impact and Legacy, the Fund will need to strike a balance between developing a support market where quality assurance is measured in terms of standards (both quality and sector-specific) and in terms of results achieved (customer feedback and impact), with providing the choice and flexibility required by grant-holders to get the right type of support at the right time by the right provider. Support options will need to be appropriate to the size and focus of an organisation and grant-holders will need help to determine the strengths and weaknesses of a particular approach to make informed decisions about the right support solution for their needs.

## **1.2 Overview of key findings and recommendations**

### **1.2.1 The benefits of a dedicated fund to help grant-holders think about a project's future or managed closure**

- Organisations have felt that funding such as Supporting Change and Impact has given them much needed breathing space and legitimised the spending of time and resources on planning for sustainability for their projects.
- In cases where projects have closed, it has also helped them to plan a more effective exit and mitigate the impact on beneficiaries.
- Grant-holders whose projects are still open are reporting greater organisational resilience as a result of the funding, and have either achieved additional grant funding or are working towards sustainability.
- Attempting to measure the impact of Supporting Impact as a distinct activity has been difficult however the findings have shown that having both Supporting Change and Impact funding has given grant holders the extra benefit of additional time to put their plans into action.
- The evidence for this evaluation has relied on self-reporting by the grant-holders about their perceptions of the benefits of the funding and further study will be needed to test how the funding has impacted on sustainability in the long term. Nevertheless, the evaluation findings demonstrate that without such dedicated funding, projects feel it is very difficult to divert their attention away from day to day project activity to focus on development and sustainability.

#### **Implications & Recommendations:**

1. Grant holders need support to create the breathing space to take time out of project delivery to learn from practice, plan for the future sustainability and develop the skills, knowledge and confidence to implement it.

2. Such work is best done at the level of the whole business and we recommend that similar funding allows grant-holders to address sustainability and impact where possible at an organisational rather than project level.
3. If Supporting Change is revisited as a support offer, we suggest building in an element of this type of support into existing programmes. This would avoid the need for an additional application process and, could be designed to help grant-holders and Funding Officers to focus on thinking about sustainability earlier on in the grant cycle (at least within the penultimate year).
4. The issue of managed project closure points to the value of programme level evaluations looking at the impact of project closure on beneficiaries and we suggest this is considered within evaluation design
5. Where any similar package of support is embedded in mainstream funding, the impact of support on organisational strengths should be measured as part of programme level evaluation
6. The Fund will also need to design a common framework across its programmes for measuring the effectiveness of support provided in order to enable an on-going assessment of the impact on grant-holder's beneficiaries and on sustainability. We suggest that existing project-level monitoring arrangements within The Fund could be adapted to measure and track organisational sustainability.
7. Such a framework could also be used to bring together examples of support that works and help organisations better understand the range of tools and services on offer and help them make informed decisions.

### **1.2.2 Funding for evaluation and impact assessment**

- 30% of funding (the largest spend type) was spent on evaluation.
- Although over recent years The Fund has placed greater emphasis on requiring projects to include evaluation in their budgets, in the cases looked at by this study many felt the need to focus on evaluation. Of these some were funded under programmes that had commissioned evaluations and others were funded under programmes that had relied on grant holders to build self- evaluation into their project funding.
- Findings from the evaluation suggest that the investment could have had greater impact on sustainability if more grant-holders had focussed their efforts on business planning and fundraising/ income generation.

#### **Implications & Recommendations:**

1. We recommend that organisations are encouraged to plan better for monitoring and evaluation as a matter of course within their project design and budget setting when they apply to The Fund's programmes.
2. We also recommend that The Fund considers how the costs of grant holders' participation in programme level evaluation can be planned for.
3. In addition, we suggest that Supporting Change and Impact type funding could be used to enable an organisation to measure the impact of their wider work on beneficiaries, using industry standard impact measurement tools such as those advocated through the Inspiring Impact Initiative.

### **1.2.3 Effectiveness of spending on internal resource versus using external support**

- Grant-holders reported that they spent their grant on funding their own staff to engage in Supporting Change and Impact activity within their organisation, or on buying in external sources of support. The findings suggest that recipients who spent it on both internal and external costs fared better (were more likely to keep their projects open) than those who spent it on external support alone.
- Grant holders who were awarded only Supporting Change (up to £10k) reported that their use of the funding was more effective when spent on no more than two key activities.
- Grant holders who used external support sourced it from a variety of organisations, including those not traditionally associated with support services. Only 37% sourced support from CVSs. This suggests that there is an existing and accessible VCS support market place.
- However, most organisations sourced their external support from organisations already known to them, and few used open tendering or directories to support their choice. Since the findings showed that external spend was not always the most effective, this raises questions about A) the extent to which organisations are best able to diagnose the support needed and to procure it and B) the extent to which the providers selected offered the kinds of support that would enable a transformational change or were able to challenge or able to provide an objective analysis of the organisation's needs.
- Some grant holders reported confusion about the purpose of the two strands of the programme, which may also have affected their choices about their use of the fund.

#### **Implications & Recommendations:**

1. A combination of spend on external expertise and internal activity is advisable in future programmes of similar support and merits further study.
2. Funding staff should support applicants to understand a) what is being offered within any future similar investment and b) what has been learned about what is likely to work best for them.
3. We recommend that organisations are required to undertake an independent diagnostic before funding is awarded, and that groups are provided with information and the flexibility to choose a wide range of quality support that is most relevant to them
4. As a guide, grant-holders should focus on no more than two Supporting Change type activities if a similar scale of investment (up to £10k) is supported again.

### **1.2.4 The impact of the funding on sustainability**

- Grant-holders who had spent the majority of funding on external support were more likely to report that their project had closed. Project closure did not necessarily mean that other activities of the organisation to support beneficiaries had not continued.
- More projects that had both the Supporting Change and Supporting Impact elements of the funding (the majority of them at 58%) were open at the end of the evaluation, compared to those receiving Supporting Change only (35%). Verification of this however is needed once all end of grant reports have come in to The Fund.



- Case studies indicate that in most cases grant holders were able to mitigate the impacts of project closure on beneficiaries and continued delivery in one form or another. However, as more grant holders reported project closure than we might have expected with this funding, we suggest the funding might have been better directed to support which focussed on financial sustainability.

### **Implications & Recommendations**

- We suggest that when designing future programmes with sustainability support, The Fund puts in place a framework for benchmarking project success - for example using our findings and aiming for 33- 50% of grant funded projects remaining open one year after support has ended.
- Further validation of this bench mark could be attained by a review of project (and organisation) closure in 2014 for all Supporting Change & Impact grant holders following end of grant reporting.
- Sustainability may be achieved in more cases if grant-holders are encouraged to use support for activities that focus on sustainability i.e. business planning, fund-raising, income generation strategies and business development and where some of the resource is spent on freeing up internal staff time to deliver this.

### **1.2.5 Managing a similar programme of support in the future**

- The funding package was designed to make a swift response in a time of turbulence for the VCS. Some practical difficulties affecting the engagement with the funding and evaluation of its impact arose as a consequence, but grant-holders' response to it was overwhelmingly positive.

### **Implications & Recommendations**

1. Consideration should be given to increasing the turnaround for a future package of support in terms of:
  - designing the funding package and assessing bids to allow for a better fit for different programmes
  - a longer lead-in time for applications, to allow grant-holders to better articulate their potential impact and how their intended activities would mitigate impact on beneficiaries and improve sustainability
  - extending funding delivery periods beyond 12 months.
2. Involvement of The Fund's staff in identifying at an early stage the data that can be made available from its own systems is invaluable in designing evidence gathering, and the earlier in the design process that this is considered, the better.

## 2. Background

### 2.1 Introduction

This is the final report for the evaluation of the Supporting Change and Impact funding package and represents the culmination of a study of funded grant-holders which took place between June 2012 and September 2013.

This report brings together the findings and recommendations of the earlier baseline and interim reports together with the findings of the study's final phase, provides reflections on the evaluation design and suggests recommendations to help inform the Fund's developing policy in England on Building Capabilities for Impact and Legacy.

Rocket Science would like to thank all those who have supported and participated in the research, including staff within the Fund, grant-holders and Northern Rock Foundation, ACEVO, Legacy Trust UK and Heritage Lottery Fund.

### 2.2 About Supporting Change and Impact

**The Supporting Change and Impact package** of additional funding in England was designed as a timely response to support existing grant-holders of the Fund to better plan for their future in the uncertain economic environment, with the aim of helping to sustain the benefits of their grant-holders.

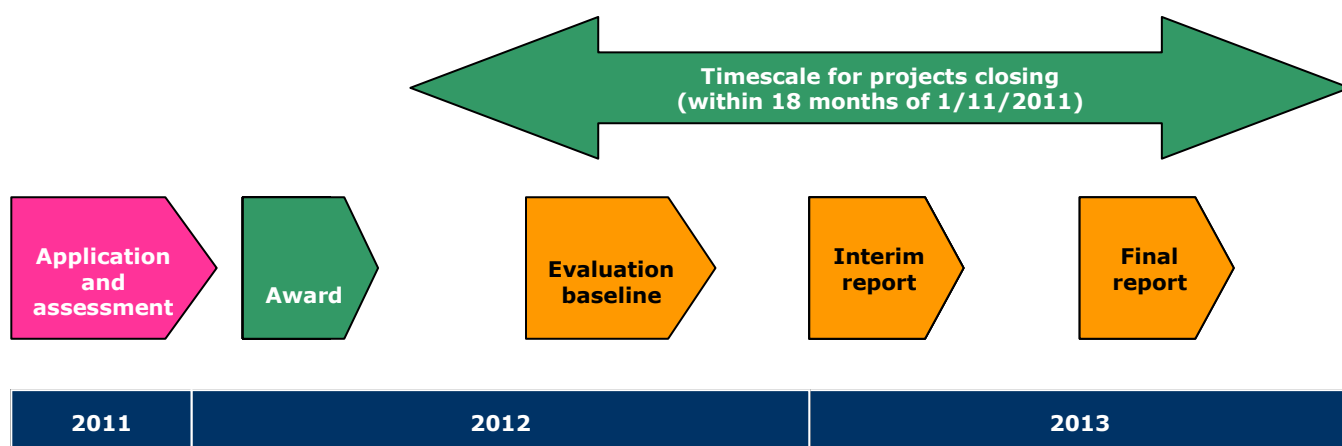
**Supporting Change** offered grants of up to £10,000 to help organisations understand how they needed to adapt in order to respond to changing economic conditions, for example through better evaluation, organisational reviews and planning for sustainability.

At the same time, grant holders that were able to show they had achieved an outstanding impact could also apply for an additional year of funding through **Supporting Impact**, to help them improve or extend their impact further and start to carry out plans to make their project sustainable.

The funding package was designed to respond to a time of heightened financial uncertainty and cuts affecting VCS organisations:

Supporting Change and Impact was a funding package designed to support existing BIG grant-holders. Eligible projects had to be in the final 18 months of a grant from 1 November 2011 and considered to be managing their existing funding well. Eligible grant-holders were invited to apply, including projects funded directly by BIG through programmes including Reaching Communities, BASIS and Family Learning, Portfolio Partner arrangements such as the Wellbeing and Changing Spaces programmes, and Award Partner arrangements.

The following diagram illustrates the key timelines of the programme and the evaluation stages:



### SC&I Direct Grant - Numbers of Successful Applications

Supporting Change (SC)	Supporting Impact (SI)	Notes
217	217	Successfully applied for both SC & SI
510		Applied for SC & SI – Rejected for SI
93		Applied for SC only
<b>Total 820</b>	<b>Total 217</b>	

### SC&I spend allocation

Programme	Total Awarded
Supporting Change - Direct grants	£7,902,473
Supporting Impact - Direct grants	£20,888,283
SC&I Portfolio grants (Wellbeing & Changing Spaces)	£13,214,104
SC&I award partner (Changing Spaces)	£6,528,000

The funding package was distributed through three channels:

1. Direct grants, delivered directly by the Fund for their programmes including Reaching Communities;
2. Portfolios delivered through a lead partner arrangement where grant management was semi-devolved;
3. and Award Partners where the grant management was fully devolved.

For the purposes of this evaluation we have not looked at the grant-holders supported through Award Partner arrangements.

822 grant-holders funded through **direct grants** programmes such as Family Learning, BASIS and Reaching Communities received support from Supporting Change and

Impact:- All 822 received Supporting Change grants (up to £10,000; average £9,608) and of those, 217 also received Supporting Impact grants (average £96,295). A condition of Supporting Impact funding was that grant-holders also had a Supporting Change grant.

301 grant-holders existed across a number of **Portfolios** within Changing Spaces and Wellbeing programmes. 283 of these grant-holders received Supporting Change grants (up to £10,000; average £9,196). A small number did not receive Supporting Change grants, and some grouped their Supporting Change grants using the money to fund an activity relevant to a number of grant-holders. In total, 175 grant-holders received Supporting Impact grants (larger grants average £54,536).

## 2.3 About the evaluation methodology

### 2.3.1 Evaluation objectives

There were two overall objectives for the evaluation:

- What should the Fund consider in developing its approach to building the capabilities of funded organisations to deliver better against their outcomes and support sustainability?
- How can the Fund identify and support excellence in future?

At the start of this evaluation, the Fund was developing its thinking around **Building Capabilities for Legacy and Impact**, the framework for which this evaluation has formed a part. The main purpose of the framework is to help maximise the impact that Lottery funding has on communities and the lives of people most in need. This focuses on the three areas where support makes the biggest difference:

- supporting organisations to engage in continuous improvement of their organisational capabilities;
- responding to crisis;
- and planning for the future after funding ends.

Supporting Change and Impact represented an opportunity to track the impact of a support package on helping organisations plan a future for their project, which minimised the impact on beneficiaries and improved sustainability planning.

To take advantage of this opportunity, the methodology was designed to capture information across a number of levels, taking into account funding limitations and timescales:

- Phase 1 included a baseline survey targeted at all funded grant-holders, a review of policy and practice around impact and sustainability, interviews with internal and external stakeholders and a series of case studies of grant-holders to understand in more detail how grant-holders were using the funding at the early stages of the funding.
- Phase 2 focused on gathering further insights into how Portfolio arrangements worked and explored this practice with detailed case studies as this was different to

the experiences of Funding Officers managing direct grants. We also developed the Supporting Change and Impact Drilldown (SCID) tool to capture more insights about the impact of the funding over a period of up to eight months from a mixture of 100 direct grant and portfolio grant-holders, which were researched in December 2012 and then revisited in the summer of 2013.

- Phase 3 included a revisit of the baseline survey which has enabled us to track responses from those who completed this back in 2012, telephone interviews with a random selection of grant-holders to explore how the funding has supported the organisation twelve months on and follow up research using the SCID tool to track the impact of the funding for the organisations that took part in 2012.

### **2.4.2 Statistical confidence**

Since 310 organisations responded to the final survey out of a total of 1123 funded organisations (i.e. 822 direct grants grant-holders 301 portfolio grant-holders), we can say that the results are accurate to within +/- 5% points. As we conducted an analysis of 223 organisations' responses to the final and the baseline surveys (in 2012) we can say that the results are accurate to within +/- 6% points.

The response rate was higher (660) in the baseline survey so we can say that those results were accurate to within +/- 2.5% points; therefore we have referred to the baseline survey analysis to confirm results where there is doubt.<sup>1</sup>

The SCID element of the evaluation was not designed to have statistical significance, but was rather an opportunity to track the distance travelled between the 44 grant-holders that completed it in 2012 and 2013 and to create a snapshot of how 100 or so grant-holders were using their funding in 2012.

### **2.3.3 Changes to the methodology**

Rocket Science convened a meeting with the Fund's project staff and Funding Officers to review the findings to date in September 2012 and to explore key elements of the last phase of the evaluation in May 2013. In the light of findings in the baseline survey and the differences in the management and assessment of portfolios, it was decided that the second phase of the evaluation would focus on capturing the experience of managing the funding through a series of interviews with the Portfolio leads and a couple of the grant-holders under their portfolio.

In May 2013, we reviewed the objectives of the evaluation and considered whether the evaluation findings would be able to respond to the research questions. One of the emerging findings at the baseline was the challenge in defining excellence (which The Fund had wanted to explore in order to reflect on the selection of outstanding grant-holders eligible for Supporting Impact). At the time when the evaluation was commissioned, this was considered a 'hot topic', but by the latter stages of the

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<sup>1</sup> The confidence intervals listed here are 95% confidence intervals and would rely on the responses being a representative sample, although the limitations of the evaluation may prevent the sample being completely representative.

evaluation, these discussions had moved on and were considered to be less important. This was in part due to the Fund's emerging thinking around impact and the practice being developed as part of the Inspiring Impact Initiative. We have therefore not considered the defining excellence objectives other than the findings that emerged during the baseline phase. It was also felt that the very diverse nature and arrangements of Portfolios, along with low response rates, made comparisons with direct grant programmes challenging. Nevertheless, we have tried to reflect on findings between the two funding arrangements where possible.

This report reflects the journey of the evaluation and the emerging recommendations through each phase of the evaluation. Over the course of this contract there have been some changes in terms of the direction of the evaluation in response to the emerging findings from the baseline and interim stages. Supporting the findings in this report is a body of further data and information from all three phases of the evaluation which can add further insight for future studies.

## **2.4 Limitations and challenges of the evaluation**

As with all evaluations there are limitations in terms of the evidence and insights that can be drawn from the study. To objectively and quantifiably measure the effectiveness and impact of the funding programme would have required a counterfactual using a control group of grant-holders that were not funded through this or similar funding streams. This would have incurred additional costs to the budget and would also have limitations in that it would probably only be possible to measure the impact of Supporting Change, due to the fact that Supporting Impact was an additional year of funding on an existing grant programme and already the subject of a programme-level evaluation.

The limitations of the evaluation budget meant that it was not possible to conduct primary research using telephone and or face to face interviews (which would have been a preferred method to reduce bias). Instead we agreed with the Fund to conduct a tracking survey at the baseline and final stages, which enabled us to identify trends, and to use the SCID tool to gather project level insights. Both of these methods required grant-holders to opt in and therefore there is a degree of selection bias in the results. In addition, grant-holders that were ready to or had already closed at the baseline and final stages would have been unlikely to take part.

Data capture horizons in the CRM system also meant that the current financial status of grant-holders, and final grant reports only become available once a project's main grant had ended, and access to up to date contact data depended on whether projects notified The Fund of changes

In addition, a number of grant-holders felt that, as they were already being evaluated through a programme evaluation, this additional research was unnecessary. Although grant-holders are required to participate in evaluations and our methods were intended to have minimal impact, we had to rely on Funding Officers to promote the evaluation to get responses back from grant-holders funded through Portfolio arrangements.

The Supporting Impact element of the funding package as continuation funding for an existing programme of support has made comparisons between the impact on beneficiaries impractical as programmes were very different in nature, scale and reach. For direct grants there were a diverse mixture of programmes which included BASIS – a programme for infrastructure organisations, Reaching Communities, Family Learning, Children and Young People all of which were at different stages of implementation, duration and had different aims and objectives. Within Portfolio arrangements; Changing Spaces and Wellbeing, these were also very diverse including one Portfolio focusing on improving environmental awareness of the general public nationally, to another focused on neighbourhood regeneration across a discrete set of areas. One Portfolio refused to take part as they felt there was evaluation overload as they were already part of a programme-level evaluation. Where we have been able to draw out the impact on beneficiaries we have described these within the 20 case studies that have been developed throughout the three phases of the evaluation.

During the evaluation it has been difficult to get a figure on the number of grant-holders whose organisations and/or projects have since closed; this data will be triggered by end of grant reports. We therefore recommend that a further review of grant-holders is undertaken in 2014/2015 to provide a definitive count of the number of grant-holders and projects that have closed, broken down by those that received Supporting Change and those that received both Supporting Change and Impact.

## **2.5 Recommendations**

Reflecting on our experience in conducting the evaluation we make the following recommendations:

- A review of project closure is conducted in 2014 for all grant-holders supported through the funding so that accurate assessments can be made on the numbers of grant-holders that are still open and any organisations that have closed as result of funding ending.
- Grant-holders are reminded of their requirement to participate in or initiate their own evaluations both at the start of funding and, in the case of strategic programmes, as a warm up to different evaluation phases. Consideration may be needed by the Fund to support the costs of participation in evaluation for grant-holders.
- Measurement of the impact on beneficiaries on project closure should become an integral part of the evaluation process for each funding programme
- The involvement of the Fund's staff, both from policy and funding perspectives is invaluable in the design and delivery of research methods and should continue to be encouraged.

## **3. Detailed evaluation findings**

The following sections draw together the insights and findings from the three evaluation phases broken down into three areas:

- The design and implementation of the funding (including application processes and awards);
- How the funding was used by grant-holders including diagnosing and securing support;
- The impact of the funding to date on project sustainability including lessons learnt.

## 3.1 Design and implementation

In this section we reflect on the design and implementation of Supporting Change and Impact, the assessment process and the policy context and make recommendations for the future.

### 3.1.1 Reflections on the policy context

During our review of policy around impact and excellence at the beginning of the evaluation, which included a desk and stakeholder study, we found that other funders had similar programmes of support in place to support the sustainability and development of their grant-holders. This support was combined with more devolved decision-making to Funding Officers in terms of how/what to support, and a move away from a typical grant management role being focused on compliance and monitoring to a role that was more developmental and supportive in nature. We identified an obvious challenge for the Fund in terms of the capacity and resources the organisation has at its disposal to provide this more 'hands-on' role particularly in light of the reduction in administration costs to 5%.

Both internal and external stakeholders felt that although it was important to define project excellence, attempts to do so were fraught with challenges due to the need to understand what excellence means in a particular context before it is possible to measure or assess it. As a solution we suggested that it might be helpful to define what excellence might mean for each of the Fund's themes or types of project, using the experience of staff and existing evaluation material and draw together examples of excellence that both staff and grant-holders/applicants can refer to.

During our discussions with other funders, stakeholders and as part of our policy review we concluded that the measurement of impact and evaluation was complicated for the VCS and still at an early stage of adoption, despite the availability of tools and methods and the requirements of funders. There was consensus that impact measurement has to be proportionate to the level of grant and size of organisation and whether the impact of the organisation or a specific project was being measured. We also concluded that organisational capability was directly related with the extent to which projects managed by the organisation are able to achieve a greater or lesser impact. The implication being that the less capable an organisation of managing projects, the less able it is to secure impact for the people it works with. We therefore considered this in the design of the research methods and developed 15 organisational capabilities as indicators of improved sustainability and impact. These included questions on the following capabilities:

- Board/Steering Group
- Management Team
- Financial management systems



And approaches towards

- Performance review
- Management of risk
- Developing skills for sustainability
- Resourcing of business development activity
- Understanding funding opportunities and the 'market' for their services
- Knowledge of competitors and collaborators
- Evaluation
- Systems and monitoring
- Evidencing impact and using evidence

And information on

- Sustainability with current sources of income
- Anticipated sources of income
- Earning income through trading

An MS Excel-based tool was developed which allowed data to be collected by Rocket Science but also had an inbuilt self assessment function which could then be used to help the grant-holders track their progress (at least some respondents are known to have used to tool to reflect and report on their organisation internally). Questions in the tool included open text questions, drop down choices and scorecard questions similar to a "Likert scale". For example:

Q2					
<b>Systems and monitoring</b>	We do not have the systems and monitoring in place to collect evidence of our impact.	The systems and monitoring that we use to collect evidence are inadequate for our needs.	The systems and monitoring that we use to collect evidence are satisfactory but we could do much better.	The systems and monitoring that we use to collect evidence are good and we are able to access what we need when we need it most of the time.	The systems and monitoring that we use to collect evidence are excellent and we are always able to access what we need.

The SCID tool, which also captures financial data and trends on expenditure and income, could be used in part as a diagnostic or project monitoring tool for future funding programmes.

### 3.1.2 Design and award

Feedback from staff suggested that the design and implementation of the funding had happened at a far greater speed than was usually the case in the Fund. There was a feeling that although some of the design might have been improved in the application process, particularly in terms of the application form and guidance, on balance the priority should be on distributing the funding quickly. Applicants were informed by letter and Funding Officer and were given four weeks in which to apply for both sets of funding.

In the case of Direct Grants, a team of Funding Officers was assembled to assess applications from the different programmes other than their own area of responsibility. In contrast, Portfolio leads were asked to develop applications on behalf of their project portfolio which were then assessed within the relevant portfolio team at The Fund. Responsibility for contracting and monitoring was given back to the project's existing Funding Officer, and staff fed back that there were some delays in finalising contracts to enable the funding to be paid to the grant-holders.

Staff working on the Direct Grants applications therefore had to build up their knowledge of the different programmes and refer to experts/leads where appropriate. Our consultation found that this had had the effect of empowering staff, helped them make better judgements and, through some devolved decision making, improved their confidence in making judgements about who or what fund. Our discussions with Funding Officers looking after portfolios found that their relationships with Portfolio leads had been built up over a long period of time so there was already a trusted relationship. Recommendations made by Portfolio leads as to which organisations and/or grant-holders were funded were generally accepted.

If the direction of travel for future grant-making is around more devolution of responsibility to Funding Officers, then there are lessons that could be shared from this experience.

We feel that there could be useful discussions about:

- how devolved decision-making could be applied to other programmes in the Fund in particular to help reduce the costs of assessment as well as enable Funding Officers to make judgements on additional spend or support without having to go through a panel assessment. This is already the case with other lottery funds such as the Heritage Lottery Fund where Funding Officers have devolved responsibility for funds up to £100,000;
- how the Fund can create more opportunities for individuals to share judgements and insights from their work across teams and fund responsibilities. Feedback from Funding Officers was that there is little opportunity to share judgements and insights because of time and administrative pressures.

There was also a view that there is a need to assess project sustainability, excellence and impact at different stages of a project lifecycle and to explore how best this might be built into existing grant monitoring arrangements.

### **3.1.3 Feedback from grant-holders**

Grant applicants reported a high degree of satisfaction in terms of how the Fund and Portfolio leads had promoted and administered the fund. Grant-holders reported that a separate fund to help organisations look in detail at their development and sustainability issues was very helpful and enabled them to focus on this specific issue without being distracted by their delivery responsibilities.

However, some grant-holders fed back that the funding guidelines could have been clearer in terms of what individual funds were to be used for and how applications were

assessed. In particular they felt the need for greater clarity between the two funding streams and the fact that success in one did not guarantee success in the other. A very small number of grant-holders that were relying on both sets of funding felt that it would have been impossible to use the Supporting Change element without the Supporting Impact funding as well (i.e. they needed ongoing resourcing through Supporting Impact in order to make the use of Supporting Change feasible or meaningful).

Grant-holders also felt that the turnaround for the application process was too short. Feedback offered by grant-holders who took part in the baseline case studies to improve the design and application of the award is summarised as follows:

- Ensure all applicants have access to a Funding Officer to help with the application
- Run funding surgeries where applicants have the opportunity to ask questions and meet other applicants.
- Provide more intensive support to those organisations that might not be as experienced in fundraising and/or applying for funds.
- Consider increasing the term of the award:
  - ***"one year is too short – you're just getting started and then it's coming to an end"***
  - ***"It's a very short time frame to deliver what might take considerably longer."***

## 3.2 How the fund was used

In this section we reflect on how Supporting Change and Impact was used, in terms of diagnosing support, accessing providers and delivery of support.

### 3.2.1 Diagnosing support

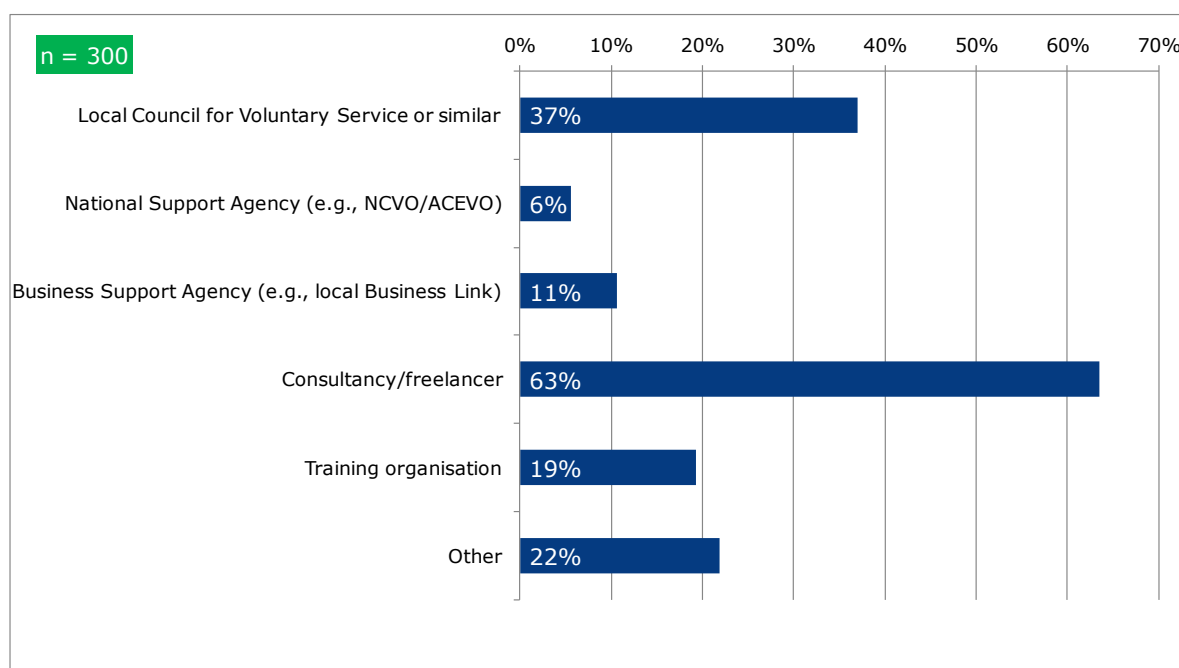
In the baseline survey 80% of grant-holders reported a high level of competence and ability in being able to diagnose their own needs at the start of the funding. Grant-holders also reported a high degree of confidence in being able to address these needs and said that they knew where to access relevant support. Larger organisations tended to be even more confident in both of these capabilities.

However, in some cases there were differences between these early perceptions and the grant-holders' subsequent experiences. For example one Portfolio lead reported that although they had a good idea of what they wanted to do, they might have benefited from some support in terms of scoping and identifying what they wanted from a provider at the beginning.

In hindsight, and based on the findings from this final stage in terms of project closure and confidence around sustainability (please see section 3.3), we suggest that grant-holders might have benefited from a more detailed diagnostic process to enable them to identify where best they could have achieved greater value and impact from the support. Many grant-holders used support providers that were already known to them (see 3.2.3) and whilst this is understandable this might not have provided grant-holders with the kind of challenge that might have been received if the provider was completely independent of the organisation.

### 3.2.2 Who did grant-holders use for support?

In designing the research we wanted to capture who grant-holders used when looking for support around sustainability and where they sourced these from. In our baseline survey (2012) we were surprised that few grant-holders reported using infrastructure organisations such as CVS to access support. Further research showed that grant-holders were turning to a range of external agencies with over one third (37%) of the grant-holders who received external advice or support receiving support from their local Council for Voluntary Service. Almost two thirds (63%) of the grant-holders received support from a consultancy or freelancer.



**Figure 1- Sources of External Advice or Support. %'s represent the % of project organisations receiving any external support who received it from the denoted source. (Final Survey 2013)**

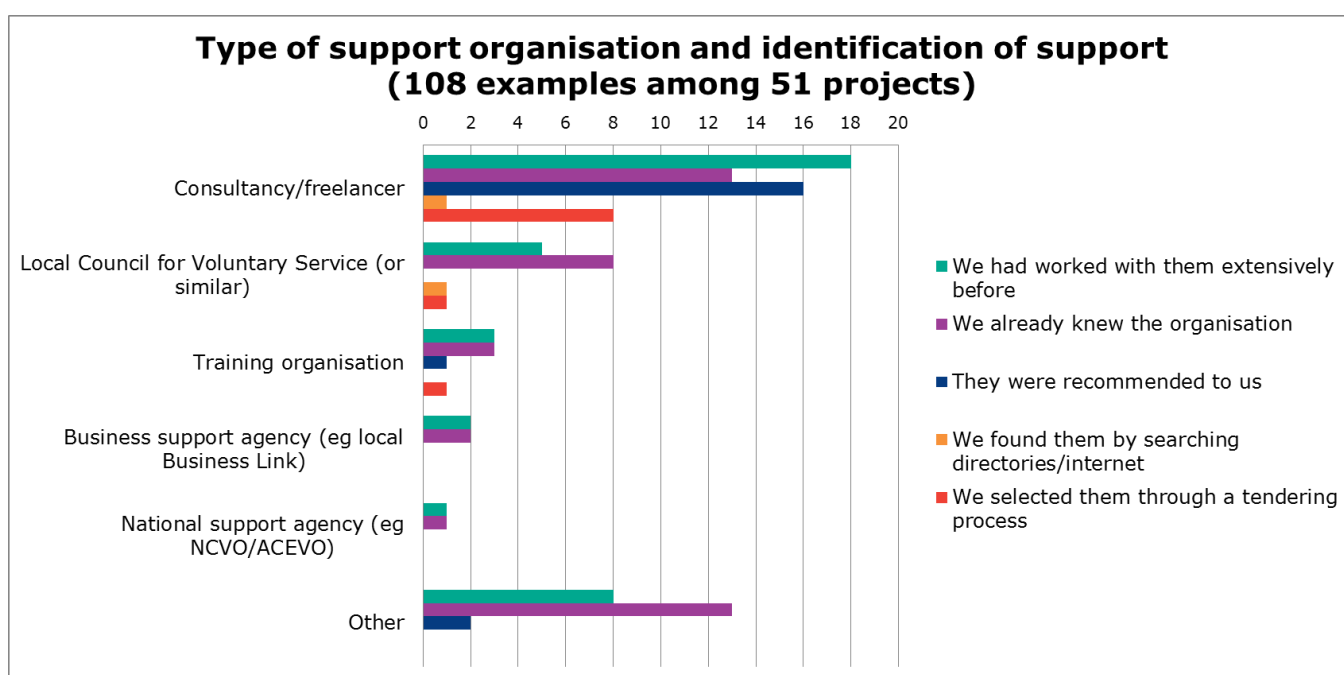
*"The Supporting Change grant provided the opportunity for the project to bring in highly skilled practitioners who were able to objectively assess the needs and gaps in the project then tailor a response to ensure that moving forward the project is positioned well to enable it to continue and survive in this unsure financial climate. " (Survey respondent 2013)*

In our final analysis of grant-holders participating in the SCID, we found that the Supporting Change grant was spent on a wide range of external providers (91 providers for 44 grant-holders) averaging two per project. The range and number of external

support services paid for by Supporting Change included organisations not typically associated with providing consultancy or VCS business support, including organisations such as West Middlesbrough Neighbourhood Trust, NSPCC, the British Association for Counselling and Psychotherapy, and a university.

### 3.2.3 How did grant-holders source support?

Analysis from the first SCID in 2012 found that Supporting Change grant-holders mostly identified their external support from within their existing networks not relying on those networks traditionally associated with providing access to consultants/freelancers such as CVSSs, sector bodies such as NCVO (their approved consultant framework) and others. This was common amongst both direct grant recipients and Portfolio grant-holders.



**Figure 2 How were project support organisations sourced? (SCID Direct Grant analysis 2012 – Interim report)**

Our analysis at the interim phase, of the differences between how direct grant recipients and Portfolio grant-holders sourced support, showed that none of the 43 providers named by Portfolio grant-holders were CVS organisations nor had they used a national support provider (e.g. NCVO/ACEVO). In 62% of the examples given, the organisation/individual brought in to support the Portfolio project was already known to the project (either “worked with them extensively before” or “already knew”). This is similar to the figure for direct grants (72%). Very few used an open tender process or directories to source support.

Many organisations relied on external consultants to provide support, in terms of lessons for future funding, grant-holders have offered the following insights:

*"When using external consultants ensure that you have chosen ones that understand the organisation's goals. We worked with two; one was excellent and helped us a lot, the other one let us down and never seemed to grasp what we wanted to achieve." (Survey respondent 2013)*

*"The fund was most helpful to us in giving us some thinking time with a range of skilled advisors - The fund enabled us to see that unless the community is willing to fund the service in a different way it may not survive I would say that the fund provides the opportunity for a major 'think-tank' approach to look at threats and the promises from every angle." (Survey respondent 2013 )*

*By using it to closely examine the efficiency of the service, compare it to other existing business models and implementing changes as appropriate to ensure sustainability. We found an external consultant asking the 'hard' questions really helped us stream line, but also focus. (Survey respondent 2013)*

### 3.2.3 How was Supporting Change spent?

Based on the results of the final survey, grant-holders had used Supporting Change in the following ways:

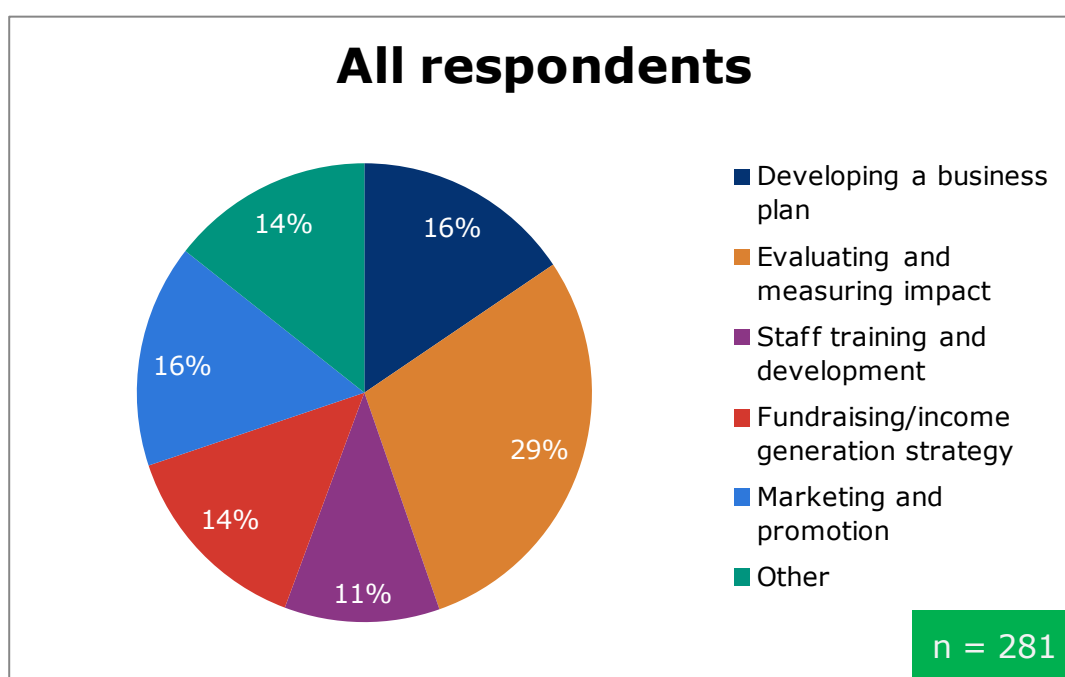


Figure 3- Average proportion of budget spent on particular areas of activity (Survey 2013)

Evaluating and measuring impact was the most popular activity representing nearly 30% of grant spend.

### Case Study 1 Child Counselling Project

Supporting Change was spent on a robust external evaluation, which resulted in an increased awareness of the need to find ways of becoming more self-sustaining. In response to the results of the evaluation, the organisation has piloted working with groups rather than individual children, enabling the organisation to offer their services to more children, while simultaneously addressing issues of isolation among bereaved children. The organisation has also worked to become more self-sufficient by creating a training programme, with the goal of generating income through marketing their replicable organisation model. Since receiving the Supporting Change grant, the organisation has successfully applied for two further sets of funding from the Fund.

Other grant-holders spent this on typical business development activities:

### Case Study 2 Wigglesworth Community Centre

Supporting Change funding was spent on employing an independent marketing consultant to carry out a management review and to set up a new website. According to the organisation, bringing in someone external was a very worthwhile investment, as it produced an objective evaluation of the project's strengths and weaknesses. Although the organisation has not secured further funding since receiving the Supporting Change grant, the project has become more self-sufficient as it has set up a Saturday morning café which generates income.

Grant-holders were able to spend their grant on internal and external activities with more than half spending this on both internal and external resources.

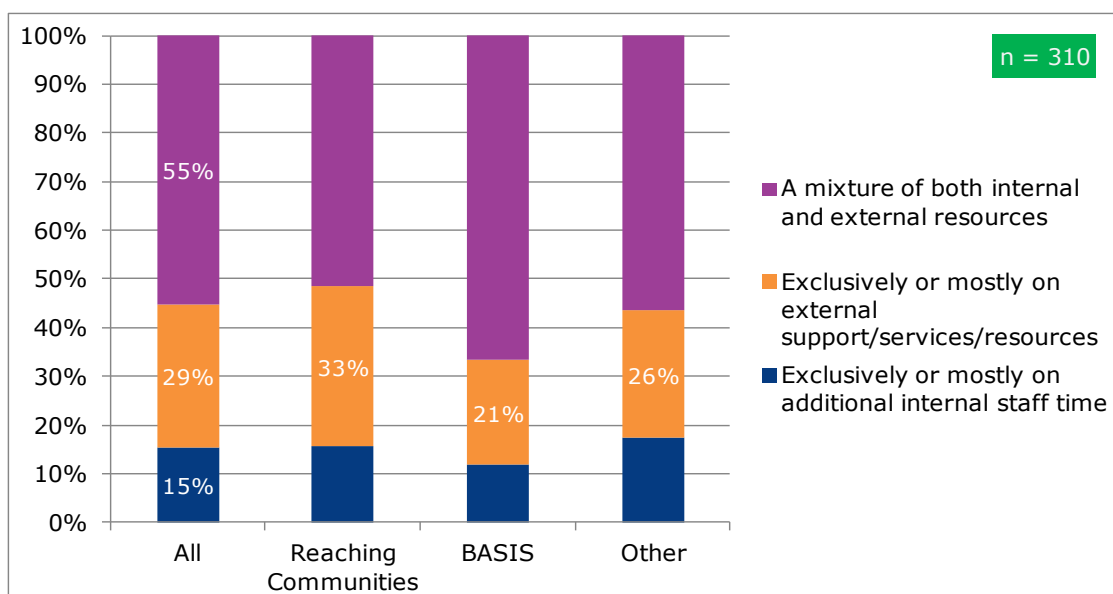
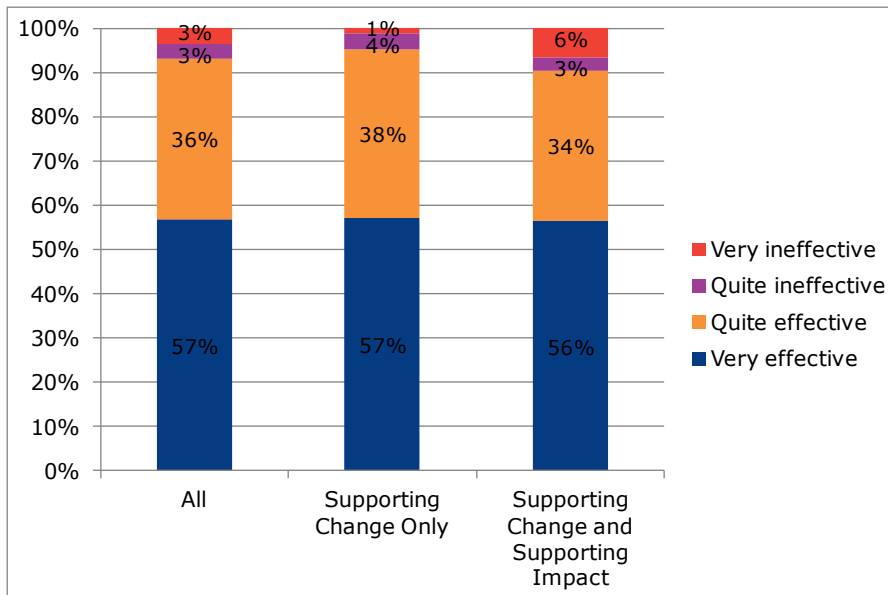


Figure 4 - External or Internal spend. Analysis by Programme. (Survey 2013)

There was some concern in the baseline and interim research that grant-holders spending their Supporting Change grant on internal staff time might have been using that time to continue the delivery of their project work rather than work on discrete activity aimed at increasing sustainability. Our findings from the final SCID analysis showed some had dedicated staff time to conducting research or evaluation, covering the cost of staff development activity, for operational reviews or to seek new grant funding. Grant-holders also reported a high level of effectiveness in their use of internal resources.



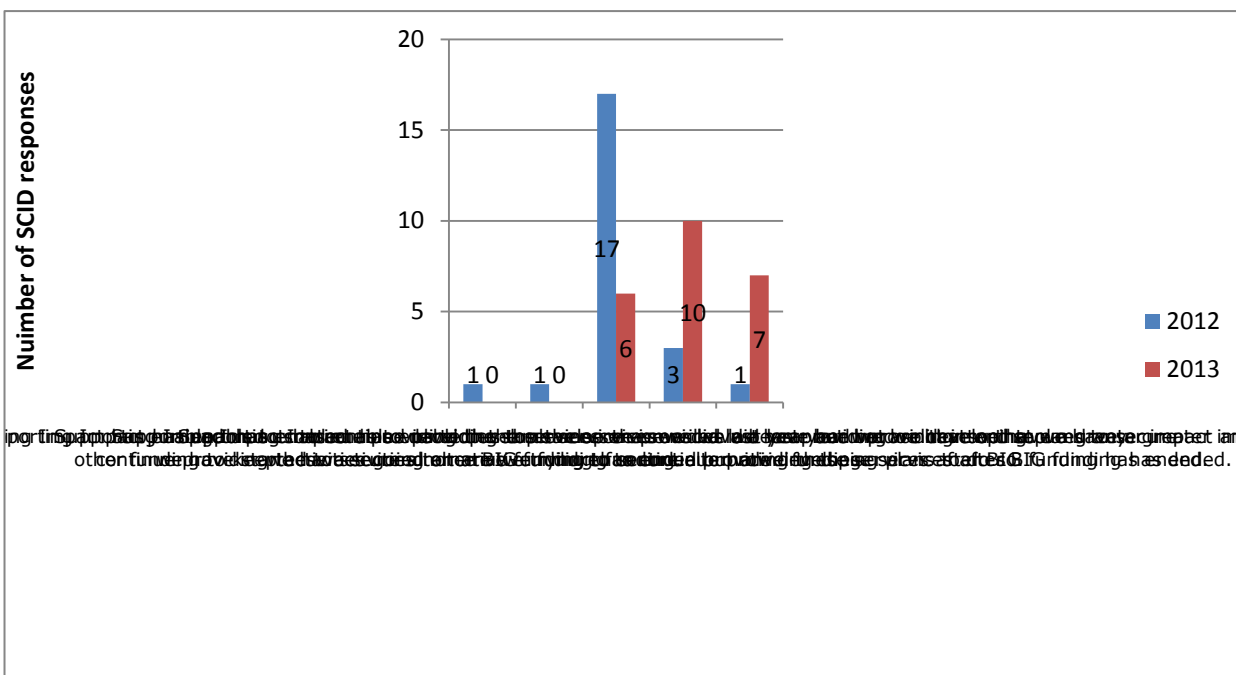
**Figure 5- Effectiveness of Internal Spend. Analysis by Supporting Change vs. Supporting Change and Impact (Survey 2013)**

### 3.2.4 How was Supporting Impact spent?

Supporting Impact was designed to offer up to an additional year of funding for grant-holders to improve their impact and reach. In some cases this was used to help wind projects down and develop an effective exit or plan for legacy and for others it presented an opportunity to reflect on performance and increase support for beneficiaries. The diverse nature of funded grant-holders across a range of funding arrangements and programmes has meant that comparison of activities is impossible, yet there have been benefits for grant-holders in being able to continue their project for an additional year.

Looking at a comparison of responses for grant-holders that completed the SCID in 2012 and 2013, it seems that having Supporting Impact funding has enabled grant-holders to develop their services and secure alternative funding.





**Figure 6 Comparisons of SCID responses on Supporting Impact (SCID 2013)**

It is also clear that having Supporting Impact funding has allowed grant-holders the time and additional resources to put their plans into action and ensure that beneficiaries continue to be supported.

*"Having the Supporting Impact funding has given us an extra year to focus our project on the most successful activities. It has meant that we have been able to plan and that staff have stayed in post as they had more security. We have recently secured a grant which was not available last year so SI funding has in effect provided a bridge from our lottery funding to this." (Survey respondent 2013)*

*For us, this was a fabulous opportunity. Without this additional year we would have 'gone under' and had to close the scheme causing huge stress to families who are reeling with the government austerity measures. We have used this time to identify additional funding plans to incorporate a range of other sources. (Survey respondent 2013)*

### 3.2.5 Key findings

- Grant-holders reported that Supporting Change and Supporting Impact has funded the right kinds of activities to help them plan a more effective exit or more sustainable future.
- Grant-holders report that activities using both internal and external resources have been effective although the impact of the effectiveness is not conclusive in terms of improving capability.
- Most grant-holders have sourced external support from organisations and consultants they already know and have not relied on directories or open tendering processes.
- 37% of grant-holders have used their local CVS for advice and support.
- Grant-holders used a variety of support organisations, some that are not usually associated with traditional support around sustainability and organisational support.
- Some grant-holders used more than one provider of support.

## 3.3 What has been the impact of funding?

### 3.3.1 An overall picture

The following analysis, which brings together findings from the project survey and the SCID, reveals a mixed picture on the impact of the Supporting Change and Impact funding.

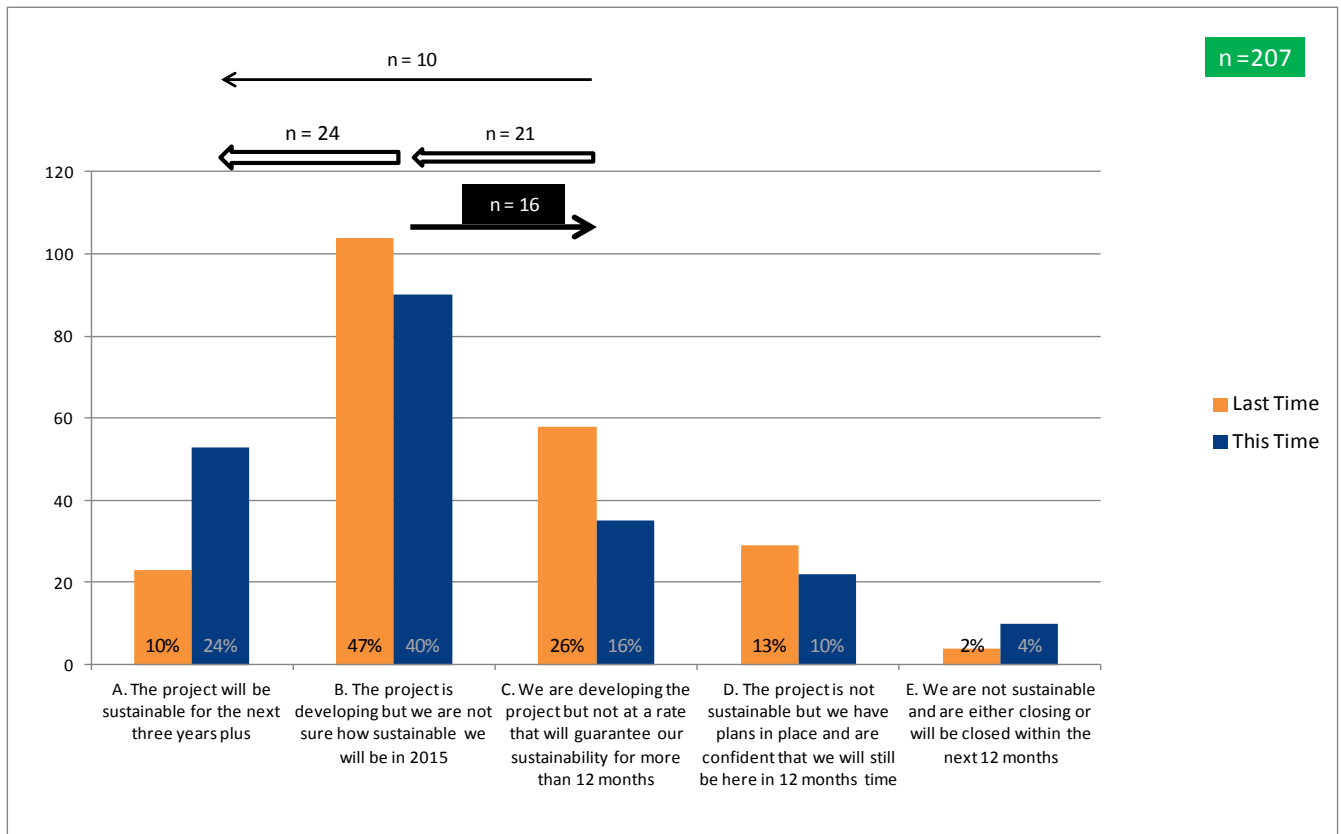
Grant-holders have clearly valued the funding and it has helped make possible a number of activities to help grant-holders improve their impact and sustainability. It would appear that having both sets of funding has enabled grant-holders to be more sustainable. However, more than 50% of grant-holders have closed their projects and it is difficult to compare how similar funding packages among other funders have fared as no direct comparisons can be made.

As a dedicated funding package to support impact and sustainability, it would be fair to expect fewer project closures than those reported. Indeed, this figure will be higher as there were 50% fewer responses to the final survey than at baseline and we suggest that this is due in the main to project closure. The high levels of satisfaction around the effectiveness of the support have not necessarily translated into a more sustainable project, and this could provide a useful insight into the effectiveness of a diagnostic process which has not relied on an independent assessment.

To enable us to track how views regarding effectiveness had changed from the baseline survey we were able to track those respondents who responded both times to the survey (n223). We wanted to investigate changes in their response to three key questions on the sustainability of their project, how well their project is resourced, and their approach to generating income. Our expectation was that we might have expected to see significant positive shifts in views based on the support that they had received and the high rating of effectiveness of that support. But this expectation has not necessarily been

proven as although one third of respondents reported an improvement, two thirds reported either no improvement, or a negative change. This might be explained by respondents being overly positive at the baseline stage, or that one year is too small a window to expect significant change.

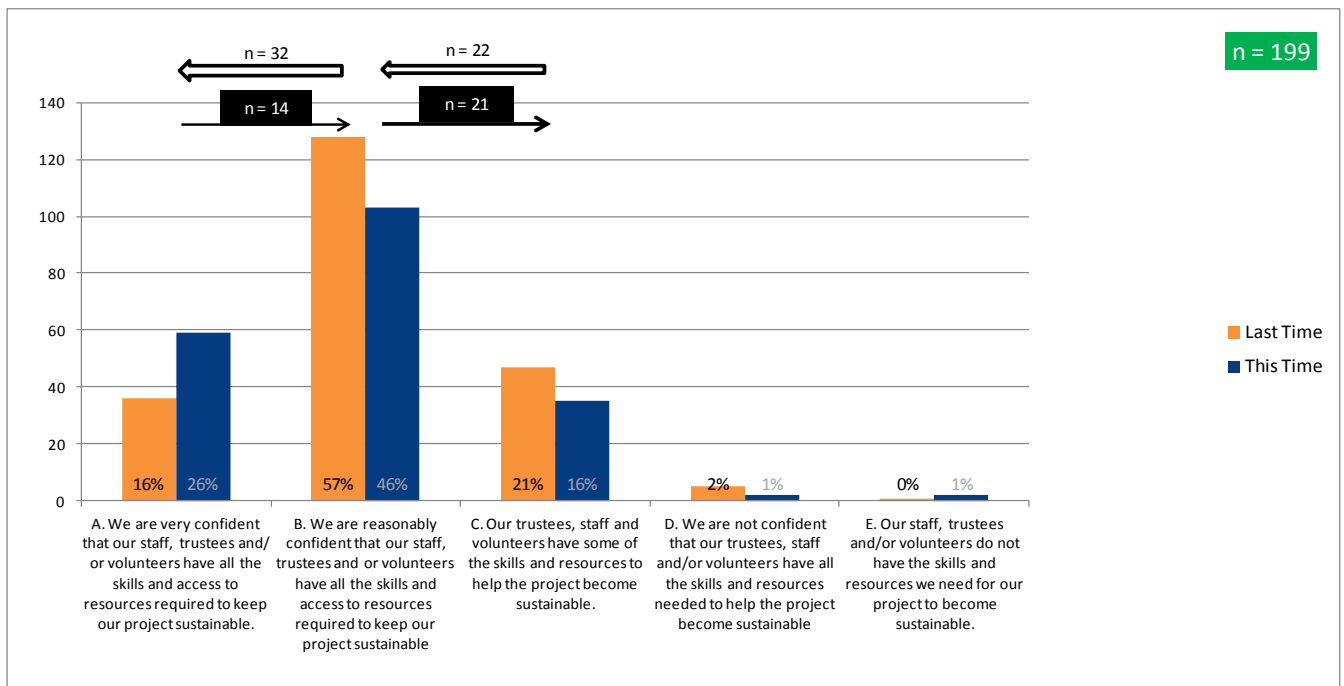
***We tracked responses around project sustainability:***



**Figure 7 Tracking changes in sustainability responses from the baseline to the final survey (Final Survey 2013)**

- 40% of the 207 kept the same answer
- 37% changed their answer to reflect an improvement
- 23% changed their answer to reflect a negative change

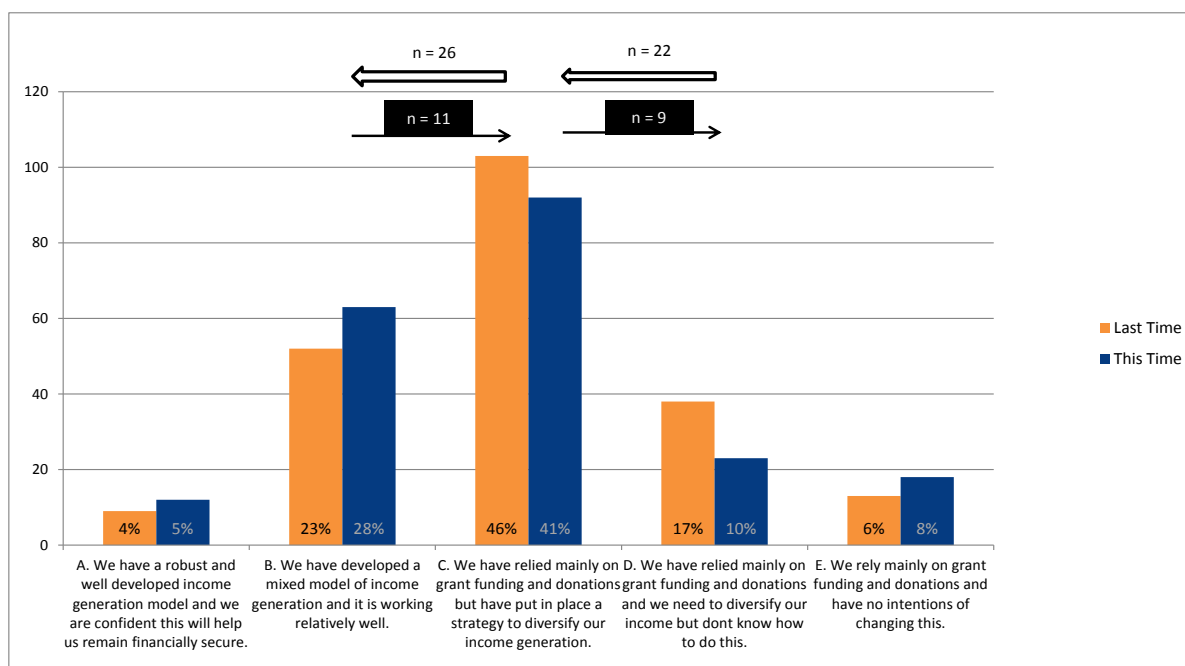
## We tracked responses around sustainability skills:



**Figure 8 – Tracking changes to skills in sustainability from the baseline to the final survey (Final Survey 2013)**

- 48% of the 199 who responded kept the same answer
- 32% changed their answer to reflect an improvement
- 20% changed their answer to reflect a negative change

## We tracked responses around income generation:

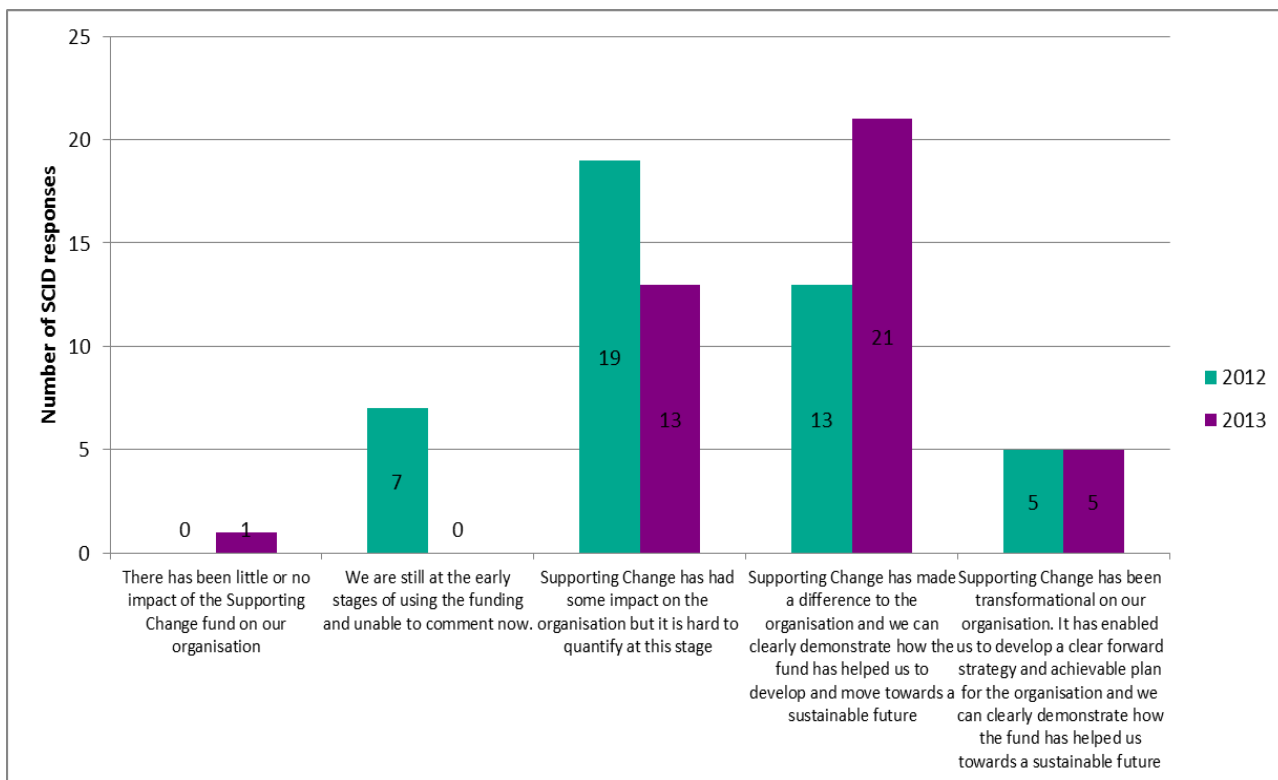


**Figure 9 – Tracking changes in the approach to income generation between baseline and final survey (Final Survey 2013).**

- 47% of the 205 kept the same answer
- 31% changed their answer to reflect an improvement
- 21% changed their answer to reflect a negative change

From the survey results we were expecting a greater shift in perceptions, however, this could perhaps be explained by how grant-holders chose to use their funding, as a greater amount of funding was spent on evaluation and impact measurement, rather than other areas that would help with project sustainability. This could also be explained by the higher response rate in the baseline survey, although we can say from the analysis above that one third of grant-holders reported an improvement, 45% reported no change and around one fifth reported a negative change.

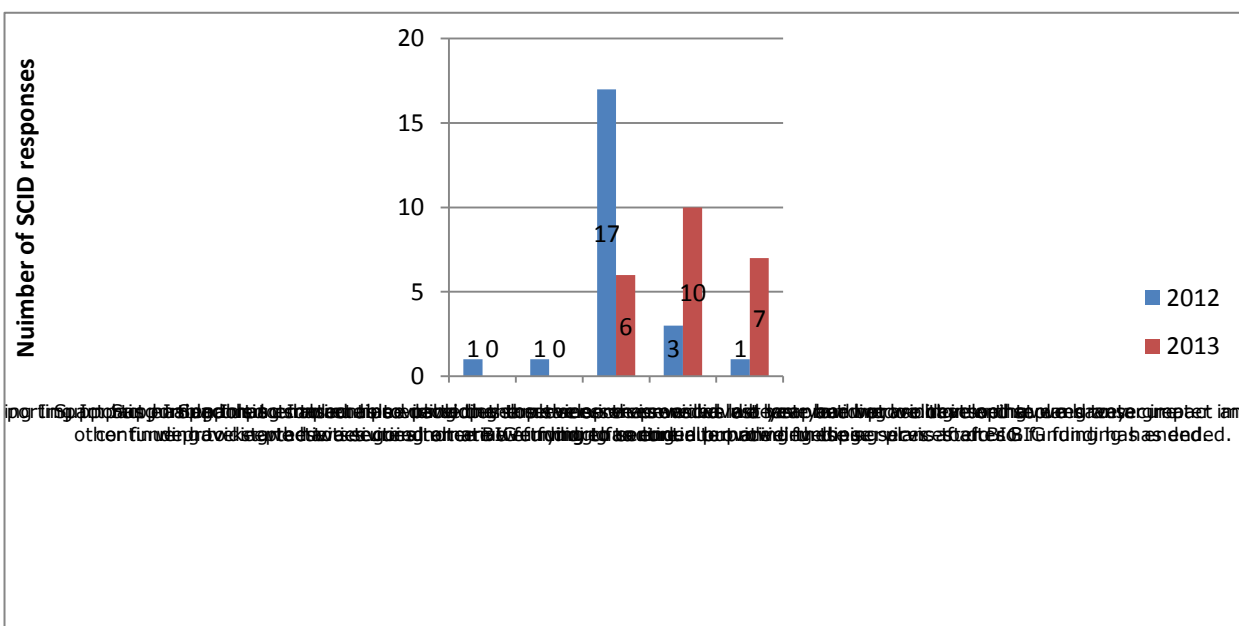
The following analysis looks at the comparisons between a small sample of grant-holders that have completed the SCID tool (at interim and final reporting phases). Grant-holders reported a positive and increasingly positive impact of the funding around their sustainability as the following chart shows:



**Figure 10 Tracking grant-holders' views on sustainability – Final SCID Analysis 2013**

Supporting Change has also made an increasingly positive impact for most of those in the sample.

As the following chart shows most grant-holders that had also received Supporting Impact indicated that they were starting to or had already secured alternative funding for their project:



**Figure 11 Tracking impact towards securing alternative funding – Final SCID Analysis 2013**

### 3.3.2 Did the funding lead to activities which would not have happened otherwise?

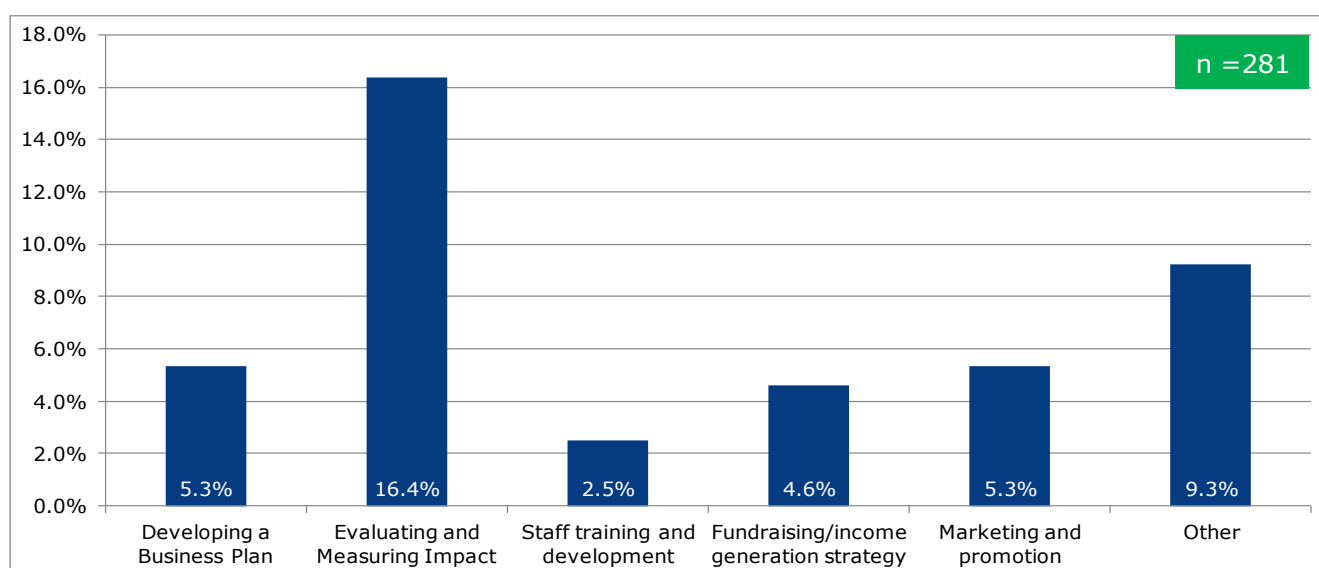
A common and recurring view from grant-holders, regardless of their funding arrangements, has been how Supporting Change and Impact has given them the breathing space and resources to plan for their future.

In our baseline report we presented a series of case studies with grant-holders that had just received the funding. There was universal agreement that a specific fund to help organisations look in detail at their development and sustainability issues was very helpful and enabled them to focus on this specific issue without being distracted by delivery. Although most organisations may have been able to continue in some way, this would not have been possible to the same extent without the funding.

Whilst grant-holders used both internal and external resources, there were differences in the ways in which the different funds were used and differences between those that only had Supporting Change to those that also had Supporting Impact funding.

#### 3.3.2.1 Supporting Change activities

The following chart shows the breakdown of how funding was spent on a single activity.



**Figure 12 - Percentage of respondent organisations who spent more than 50% of their Supporting Change budget on a single activity. (Final survey 2013)**

An investigation into respondents who allocated more than half of their grant to "Other" activity found that the types of activity could be associated with the five main spend activities. Examples include:

- "Volunteers strategy and recruitment"
- "Dissemination of good practice to other organisations"
- "Developing a toolkit"
- "A DVD which evidences what services we provide that are volunteer led"

- “This grant is across 3 organisations - money split across on consultancy”
- “Testing new ideas, expansion of area and approaches”
- “Developing stakeholder partnership”

Evaluating and measuring impact had the highest proportion of spend. However there was some concern expressed by Funding Officers that there may have been duplication where grant-holders had already set aside an amount of funding from their original grant allocation for evaluation activity. Since the funding package was established, there are now requirements for an evaluation in most of the Fund’s grant programmes. As a result, the extent to which any future Supporting Change and Impact type programme should support evaluations would need to be considered. We suggest that a project evaluation which assesses whether a project has met its objectives would not be an appropriate use of spend as funding for this type of evaluation is often already built into a grant award. We do however see the benefit of supporting an impact evaluation which looks to measure the impact of the wider work of the organisation on its beneficiaries including considerations such as a cost/benefit analysis and which follows a common framework for impact measurement for the VCS. Approaches and methodologies around impact measurement are already advocated through the Fund’s support for the Inspiring Impact Initiative.

Whilst grant-holders may have continued or developed capability-building activities without the funding package, feedback from grant-holders suggests that these might not have happened or might not have been achieved to the same extent. Our findings from the project case studies in this final phase showed that organisations which had spent the money on internal resources reported investing in;

- staff training,
- stakeholder consultation,
- bringing services in-house,
- producing publicity materials or resources,
- hiring new premises and
- subsidising their services to maintain use.

In these cases, the value of the grant was seen to be helping organisations to increase their ownership over their projects, as well as developing staff capability and confidence. The funding also helped grant-holders to maintain the quality of their internal services during a period when resources were directed towards generating new business or developing the organisation.

*Although this was a small amount of funding it enabled us to provide dedicated staffing which allowed us to form strong links between the service and partners. (Survey respondent 2013)*



*The grant bought us time and resources to review and remodel our communications and marketing, populating the new media with newly generated factoids and strengthening our case for future funding. Thanks BIG. (Survey respondent 2013)*

### 3.3.2.2 Supporting Impact activities

Supporting Impact was, in effect, continuation funding of an existing project. Our findings from discussions with Portfolio grant-holders in the interim phase showed that Supporting Impact provided the opportunity to help grant-holders shift the focus of their main work towards sustainability by:

- developing new relationships
- sourcing alternative funding
- extending the reach of their project.

Direct Grants grant-holders reported similar experiences:

#### **Case Study 3 Children and Family Services - Knowsley MBC**

The Children and Family Services is a Local Authority service which was set up in 2001. It delivers informal arts-based family learning activities at schools, to help parents (and carers) both to support the education of their children, and to re-engage in learning themselves. The activities range widely, from craft workshops to visits to cultural attractions, and have the effect of raising the confidence of parents, who may as a result sign up for adult learning classes or volunteer at the school. The grant has made the continuation of this service possible for another year, and also funded new activities. The organisation first applied for a Family Learning grant five years ago, having identified a gap in the market which could not be funded through other funding streams. As the organisation was transitioning into a traded service, the purpose of the new Supporting Change and Impact grant was to increase the use of internal resources, to make the service more sustainable and so that the organisation could generate their own funding. Therefore certain services which had previously been commissioned out were brought in-house. This has been very effective and in addition has provided opportunities for staff to develop and build their own capacity. It enabled the organisation to be more versatile and to adapt to a completely different funding situation moving forward. Without the grant, there had been a very real risk that the service would not have been able to continue.

In our first analysis of the SCID, some grant-holders indicated that they were spending Supporting Impact on wider project changes such as:

## **Direct Grants**

- Investments in our systems and resources (e.g. website) that enable us to be more sustainable
- Reducing "project dependency" of beneficiaries (individuals);
- Developing a new service model (getting a finder's fee when local authority commission VCSOs);
- Reviewing of service using independent advisor;
- Other business development activities

## **Portfolios**

- "To extend the project beyond its original location."
- "We extended delivery to incorporate wider beneficiary groups."
- "We have developed an online version of the programme, the programme will have a more professional look and it will be much easier for workplaces and employees to engage with. We have also built in monitoring and evaluation to the website"
- "Raising awareness has enabled us to sell enough resources to ensure continuing production and sales once funding ends."
- New partnership formations.

### **3.3.2.3 Key findings**

- Supporting Change and Impact has helped grant-holders to deliver activities that they otherwise would not necessarily have been able to deliver.
- The dedicated fund gave grant-holders the breathing space and legitimacy to spend time and resources on sustainability and business planning for their project.
- Activities have been varied but have all had some impact on business development and improvement and mitigating impacts on project closure for beneficiaries.
- Having both Supporting Change and Impact has given grant-holders additional time and support to put their plans into action.

### **3.3.1 What are the common characteristics of the most successful or less successful uses of Supporting Change and Impact funding?**

The range of grant-holders funded through Supporting Change and Impact is very diverse. Grant-holders that were eligible for funding spent their grant at different times and on different activities and therefore comparisons are difficult to make between grant-holders and across programmes. We recognised this challenge in the beginning of the evaluation.

We developed research tools working on the hypothesis that by having this kind of funding package grant-holders should have greater confidence in their future sustainability and impact and this would be a better indicator of effectiveness of the use of funding. We designed questions which could be measured at the baseline and during this final evaluation so we could assess the 'distance travelled' across a range of 15 indicators of organisational capability.

During the baseline and interim reports it became clear that it was not practicable to look at differences between programmes. Portfolio grant-holders were very different in their

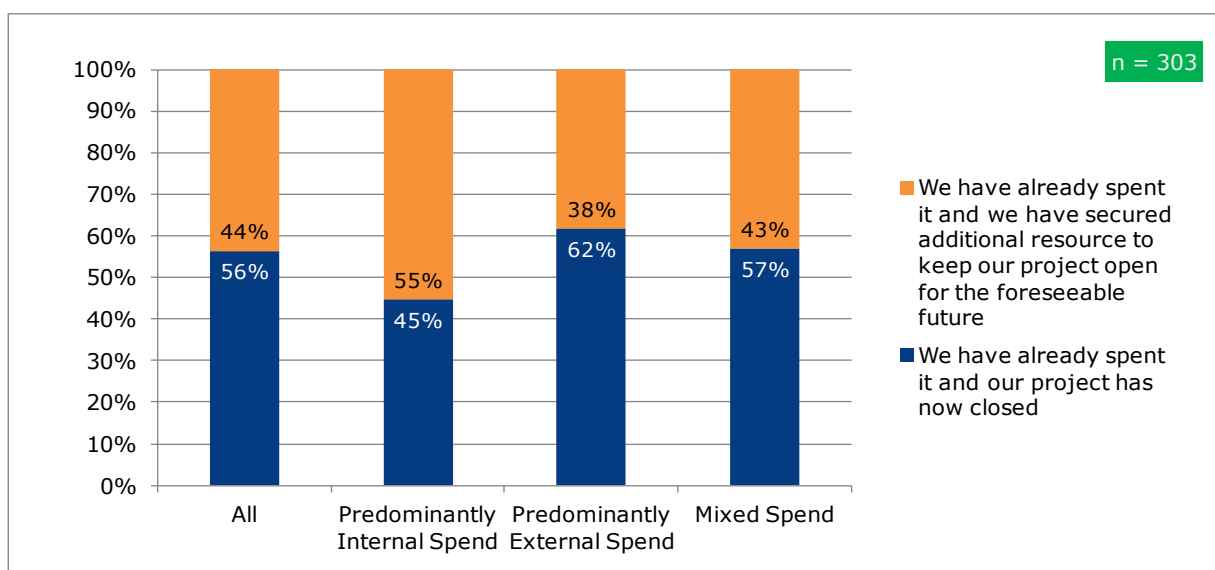
organisation and set-up, whilst direct grants included large programmes such as Reaching Communities (which had the majority of grant-holders) and smaller discrete programmes such as Family Learning (which had less than ten). It is therefore difficult to produce evidence of any variations or trends in terms of the impact of the funding for different sectors, programmes or types of project.

However, we have perceived differences between those grant-holders that just had Supporting Change grant and those that also had Supporting Impact. We felt that the use of case studies and more qualitative data would provide better insight into the effectiveness of funding and more information can be found from the 20 case studies developed as part of this evaluation.

### 3.3.3.1 Indicators of successful and less successful use

In the final survey of grant-holders, feedback suggested a high level of satisfaction with the support that grant-holders received, although we felt that the impact of that support was not reflected in the shifts in views on improvement that could be reasonably expected.

More than half of respondents (56%) had closed their project, with nearly three quarters (73%) of Basis grant-holders reporting project closure. Nearly two thirds of grant-holders that had spent their funding on external support had reported project closure suggesting that this support may not have been effective in securing project sustainability.



**Figure 13- Project Open or Closed? Internal or External Spend (Final Survey 2013)**

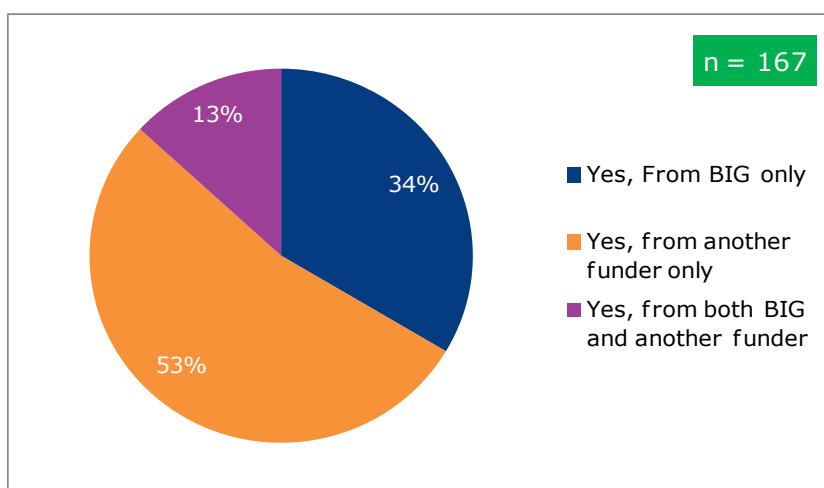
58% of grant-holders that had received both Supporting Change and Impact reported that their project was still open, compared to 35% that had only received Supporting Change. This suggests that having both sets of funding might have made a difference to project sustainability (although some of the 58% may have still been delivering the last part of their Supporting Impact funding and hence been open for that reason alone).

Exploring this further, when grant-holders with Supporting Impact were asked whether they would have been able to be sustainable with just Supporting Change only, 3% indicated that they would be, although 40% remained unsure.

*The Supporting Impact funding enabled us to carry out the recommendations of the review funded by our Supporting Change grant. We are currently applying to grant making bodies for additional funding and believe the work carried out with the two grants will help us to secure this, as funders will see that the service is cost effective and sustainable. (Survey respondent 2013)*

Over half (56%) of grant-holders had gone on to be awarded other grant funding after Supporting Change.

The following chart shows that over half (53%) received funding from a funder other than the Fund.



**Figure 14 - Sources of funding for those receiving further awards (Final Survey 2013)**

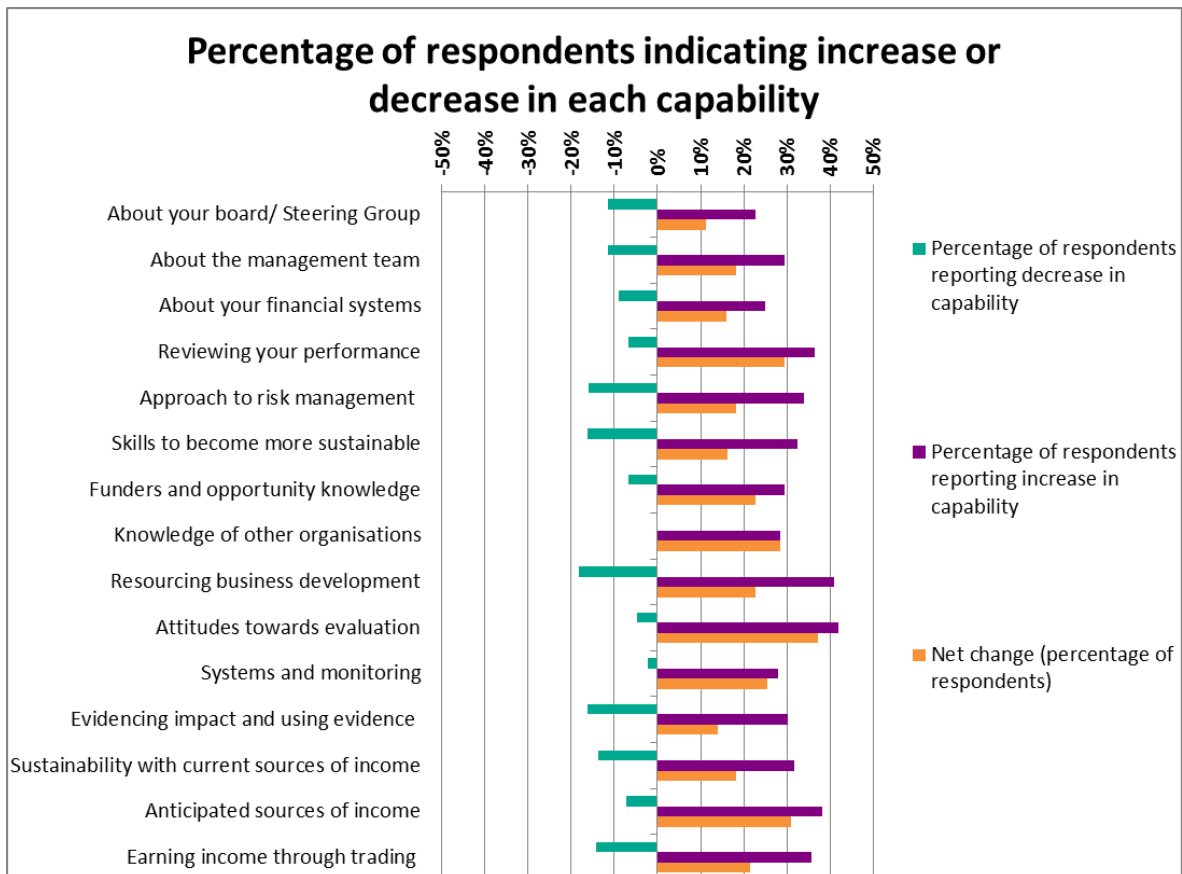
Of those grant-holders that went on to receive additional funding subsequent to Supporting Change & Impact, only 39% of Supporting Change recipients received it from The Fund, compared to 54% of Supporting Impact recipients. Unsurprisingly, projects that did not receive other funding from The Fund looked to other funders to support their organisation and this suggests that only having Supporting Change encouraged grant-holders to look for alternative funding as they had not been successful with their Supporting Impact application.

#### **Case Study 4 Shiver Project**

Drugline-Lancashire is a confidential listening service for drug users, their families and friends which was set up in 1986. The Shiver project provides support and services for those suffering from HIV in Blackpool, and was established in 2006 with funding from the Supporting Change grant. The project's main aim is to combat social exclusion among HIV sufferers, as well as to challenge the stigma around the virus. When applying for the funding, the organisation worked with lottery officers to review and analyse the changing context of the project, before employing an independent consultant, carrying out a 360 degree evaluation, formulating a business plan, redesigning the service, developing a staff capacity training programme, and creating a new media campaign. The project explained that as a direct result of receiving the Supporting Change grant, the organisation has received further funding from another source, which has enabled continuity of service, meaning that service users have been unaware of the transition from one source of funding to another. There has also been a positive impact on the staff of the organisation as the staff training project has boosted confidence. If the organisation received this kind of funding again, they would like to have more time to devise and implement the business plan.

#### **3.3.3.2 Impact on organisational resilience**

Both the survey and the SCID research allowed us to track how Supporting Change and Impact were supporting organisational resilience. Grant-holders taking part in the final SCID reported greater organisational capability in terms of 15 indicators which were tracked between 2012 and 2013.



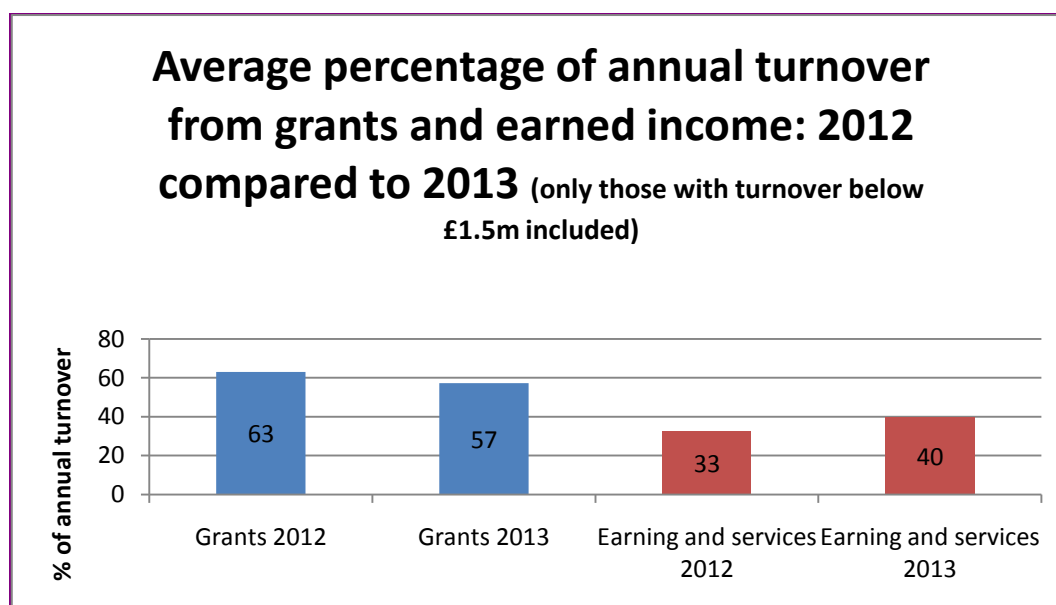
**Figure 15 Tracking of capability (SCID Final Analysis 2013)**

The following responses provided by grant-holders show the range and variation of uses of funding:

- "We have been bold in introducing new services, e.g. a cafe, which has been successful despite local scepticism."
- "Restructuring the organisation - recruited extra trustees with new skills - treasurer and accountant. Created a new fundraising post."
- "We have secured some alternative funding and employed a development worker. This is a follow on from utilising the money supplied by the Change and Impact grant. The development worker will be developing our commissioning potential and we have already been given positive indications that a further years funding for development will be available so we can expect to concentrate on sustainability from a much stronger position than when we last reported."
- "A new Monitoring and Evaluation Manager has been appointed, which will lead to consistent internal Monitoring and Evaluation."
- "An analysis of the project has been undertaken by an independent organisation that helped us clarify our concept, niche market and unique qualities. They have facilitated meetings between us and other organisations in Norfolk who have provided financial and practical advice and training to members in the areas of film making and promotional grant-holders including logo and website design. Work with this organisation has led to securing of £4000 of funding to date and we expect further funding through this contact in the near future."

- “The Supporting Change funding led to the creation of a new, separate CIC to continue and develop the work that this project does.”

Grant-holders taking part in the SCID have reported achieving modest reductions in their income from grants and having increased their proportion of earned income (including contracts for service delivery). Although small, this shift could represent some success from moving grant-holders away from grant dependency as an indicator for their future sustainability.



**Figure 16 Charting turnover from grants and earned income (SCID Final Analysis 2013)**

*The grant added value to the organisation, developing staff expertise and knowledge. Also helped tremendously in creating the opportunity to refocus on new delivery methods which could be more sustainable and help target resources to optimise impact. (Survey respondent 2013)*

### 3.3.3.4 Key findings

- The final survey revealed that the use of Supporting Change and Impact has not necessarily helped grant-holders to continue, although the majority of grant-holders that had both sets of funding are still open (58%).
- Survey respondents that had spent the majority of their funding on external support were more likely to report that their project closed, compared with those that had spent it on internal resources.

- Organisations that are still open are reporting greater organisational resilience as a result of the funding.
- Grant-holders receiving Supporting Change only were more likely to secure funding from other sources than The Fund compared to those grant-holders who were deemed by the Fund to have excellent projects with high impact, that received both Supporting Change and Impact.

### 3.3.4 What was the effectiveness of the funding in supporting project exit?

The limitations of this evaluation meant that grant-holders that had already closed or had not received further funding during the research were less likely to participate in the research. At the baseline phase most grant-holders were starting on their Supporting Change and Impact journey and were at too early a stage to look at exit strategies.

#### 3.3.4.1 Developing exit plans

In our baseline report we reviewed the experience of five organisations that up until the funding had no set plan for project succession or sustainability. This was partly due to the long term investment (up to five years) of the original grant and, in some cases, the focus on delivering the project successfully. However, around the time Supporting Change and Impact became available, the organisations had begun to consider their future, particularly in the context of a tighter funding environment, i.e. less funds available, for shorter periods of time and no longer covering all project costs such as management and overheads. Supporting Change and Impact funding had been described as a catalyst for organisations to consider their futures, and enabling them to do this with more depth or over a longer timeframe than would have been possible otherwise. Similarly the findings of our case studies with Portfolio leads at interim reporting stages had shown that the funding had enabled them to consider the future and develop plans to mitigate the impacts on beneficiaries through more effective project legacy planning.

In the case of one Portfolio, Supporting Change was used in a variety of ways.

#### **Case Study 5 – Sustrans**

- Affording project teams the time and resource to seek future funding and work on applications;
- Undertaking outreach and relationship building work in order to raise the profile of grant-holders, their activities and impacts;
- Training up volunteers as a sustainability mechanism;
- Web-site development or enhancement/rationalisation of certain aspects of internet presence;
- Development of legacy materials highlighting successes as well as the development of materials (e.g. packs and pedometers and the development by the Ramblers of an innovative Route building tool) designed to engage more beneficiaries in walking or cycling as well as an additional 'carrot' for new members.

In another example the Portfolio lead used the opportunity of the funding to look at an effective project wind down for regional grant-holders and develop a plan which focused on maintaining a national presence.



### **Case Study 6 - OPAL**

The focus of the Supporting Change fund was around sustaining a national presence of the OPAL project and an international resource on public engagement in science. It was agreed that the best use of Supporting Change was to invest in research into future funding opportunities, partnership and governance arrangements and sustainability. Funding was also set aside to develop an eLearning programme to support participants to carry out the OPAL surveys after there was no longer any direct support available from OPAL staff. The Supporting Impact element of the funding was targeted to support grant-holders in the regions and some national activity. Supporting Impact funding enabled the programme to extend most of its activities for a further six months (to May 2013), this allowed for further outreach to be carried out and to undertake focused work exploring sustainability of local project activities, such as through training of, and capacity building in, local community partners. The extension also provided time for grant-holders to wind down. It has also supported the development and roll out of a new national survey, the 7<sup>th</sup> in OPAL's Portfolio and the main route through which communities engage in field work and contribute to research.

#### **3.3.4.2 Mitigating impacts**

Most grant-holders were expecting to continue with their project in some form so that the impact on beneficiaries would be minimised. However, their choice in what they spent the funding on might have had a different outcome to what they had originally expected. Most grant-holders reported spending the majority of funding on evaluation and impact measurement when perhaps a focus on business planning and fundraising might have achieved better results.

### **Case Study 7 - Improved Health to Older and Disabled People**

Bath Ethnic Minority Senior Citizens Association (BEMSCA) is a charity that was set up in 1993 which provides services such as language support for black and ethnic minority elders. Already supported by the Fund for several years, the organisation received the Supporting Change grant in March 2012.

The money from Supporting Change was spent on an independent evaluation using an external consultant who interviewed staff, committee members, and service users to produce an objective review of the project. Although the organisation maintains that the external evaluation was the best way to spend the Supporting Change fund, if they received similar funding again they would try to implement material changes to the services they provide to BME elders. Whilst no further funding had been secured since receiving the Supporting Change fund in the summer of 2013, the organisation has established new contacts and started working alongside agencies for the benefit of its service users. They have also tried to engage the younger generation in becoming members of the management committee.

#### **3.3.4.3 Key findings**

- Feedback from our interviews with case study organisations suggests that whilst projects might have closed there has been some continuation of services in most cases.

- Supporting Change and Impact has been used in some cases to develop exit plans and mitigate the impacts on beneficiaries (particularly for larger grant-holders such as Portfolios).
- Many grant-holders are still working towards sustainability.

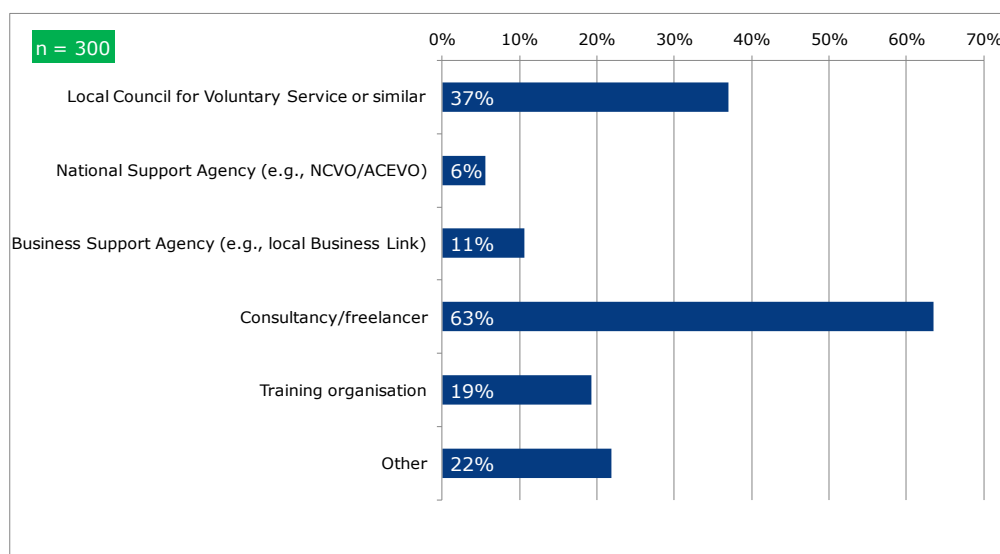
### 3.3.5 Can the experiences of accessing support inform future demand-led approaches to external advice and expertise?

In this section we have revisited the findings from the baseline survey and compared views on the impact of funding with the findings from the final survey and SCID analysis.

#### 3.3.5.1 What was the experience of choosing support?

Most grant-holders have used freelancers or consultants that were already known to them and did not go through a traditional tendering or sourcing process. From our SCID analysis at interim stages, in 71% of the examples given, the organisation/individual brought in to support the Supporting Change project was already known to the project (either “worked with them extensively before” or “already knew”). Using an open tender (9%) or searching the internet/directories (2%) were not frequent means of identifying supporters of any type. While some direct grant grant-holders (17) used support from their CVS, none of the 31 portfolio grant-holders responding to the SCID had accessed support from a CVS. We suspect that this is probably because the Portfolio lead was generally a national or regional support organisation or charity and therefore more likely to rely less on local infrastructure organisations.

In the final survey a greater percentage of grant-holders had used their local CVS than was reported in 2012.

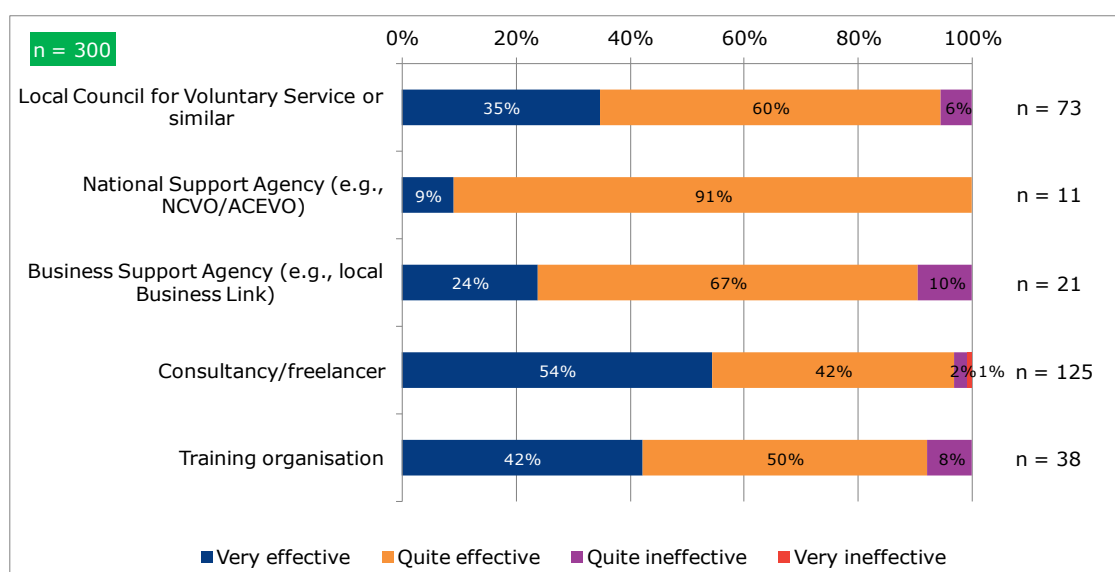


**Figure 17 - Sources of External Advice or Support. Final Survey 2013**

In terms of the effectiveness of support all providers were rated as being effective so differences in the effectiveness of provider were largely related to differences between being “Quite effective” and “Very effective”. In this respect consultancies/ freelancers

were rated the best whereas National Support Agencies and Business Support Agencies performed slightly less well.

However, nearly two thirds of grant-holders responding to the final survey, that had spent most of their funding on external support, reported that their project had closed. This may present the challenge that using predominantly external support is not necessarily the best option for grant-holders to help them plan for their future. It also suggests that grant-holders are not seeing a direct link between the effectiveness of support and project sustainability, which represents a possible gap in understanding how to measure the effectiveness of support.



**Figure 18 - Effectiveness of Support Received, Analysis by Source of Support**

Feedback from grant-holders that had used external support focused on the need to be clear about what was expected from the outset and therefore an important consideration is how organisations diagnosed their needs, and this is explored further on.

The following comments reflect these views:

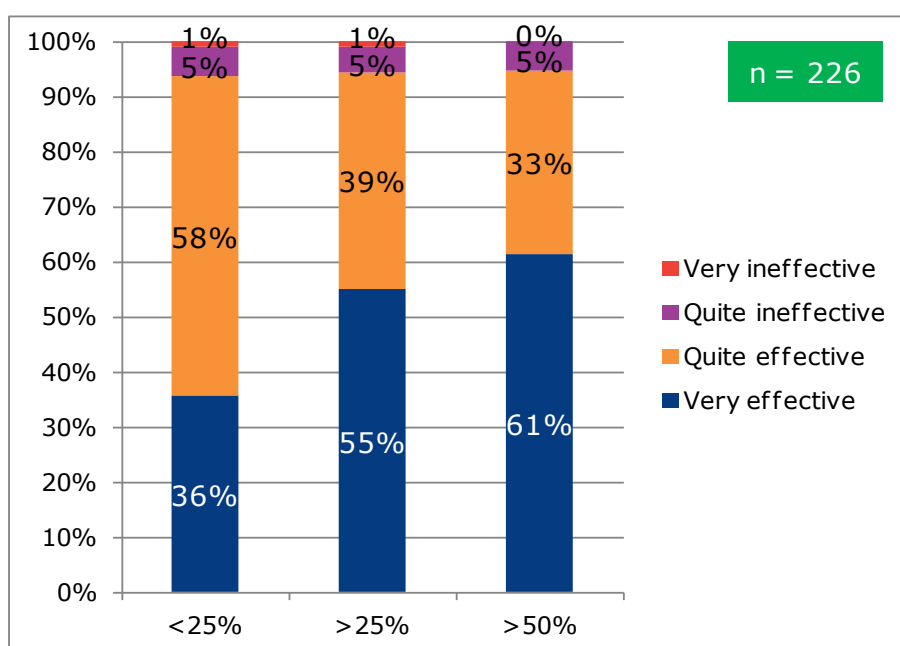
- "At least 3 quotations given for external contractual undertakings"
- "Obtain expert external support in addition to ensuring fully adequate internal skills and experience."
- "Make sure you get what you need from consultants and don't let consultants tell you what you already know, without them providing diverse options and opportunities"
- "Bring together an external agency (such as CVS) and service users and together they can independently evaluate the service from the user's perspective as well as for social capital etc."
- "Take time to think and plan how best to use this additional support, don't get caught up in doing the same work and see it as 'an additional years work' use the time wisely"
- "I think it is good to consider exactly how the money can be used to best effect. In our case, we were clear that an evaluation would be important to help us secure

statutory funding - and we could not afford to pay for the work without the Supporting Change grant. So it just came at the right time!"

- "If employing an external consultant ensure they have a good understanding of your work. Funds are used more effectively if internal staff time is used, as long as the skills exist."
- "If engaging an external consultation, I would advise grant-holders to be very clear as to what all concerned parties hope to understand from the business planning/consultation process in order to be able to make best use of the results and for all parties to feel secure about the outcomes."

One final consideration is whether grant-holders were more likely to get better value and greater impact from funding one or two activities, compared with splitting this across the five themes associated with the Supporting Change funding (i.e. Business Planning, Evaluation and Impact Measurement, Staff Development & Training, Fundraising/ Income Generation Strategy, Marketing and promotion).

We investigated whether the effectiveness of spend on a particular area of activity was correlated with the proportion of budget spent on this activity. Two thirds of grant-holders (67%) who spent more than half of their grant on developing a business plan found that their spend on this activity was very effective, whereas the figure for grant-holders spending less than a quarter of their grant on this activity was only 33%.



**Figure 19 Effectiveness of spend on all five collated project activity areas, by the proportion of budget spent on this activity.**

When spend on a particular activity was more than half of the budget, this figure of very effective spend increased to nearly two-thirds (61%). This suggests that focusing the grant on one or two areas of activity is likely to be a more beneficial strategy in terms of ensuring the best use of the funding.

### 3.3.5.2 Key findings

- Grant-holders that chose to spend the most of their grant on internal resources were also less likely to report that their project had closed.
- Although grant-holders had a high level of confidence in diagnosing their needs and accessing support, many grant-holders used support providers that were already known to them and whilst this is understandable this strategy might not have provided grant-holders with sufficient independent challenge. This has implications for the way in which capability support is designed and marketed to frontline organisations.
- Focusing the grant on one or two areas of activity is likely to be a more beneficial strategy to the project rather than trying to split it across more activities.
- Further research with grant-holders through case studies and follow up surveys have suggested that this type of support might be better off being delivered earlier in the grant lifecycle, before the end of the penultimate year, to give at least a further year to implement and develop their plans.

## 3.4 Recommendations

The Supporting Change and Impact funding package was designed as a timely response to external changes. If a similar package of support is developed in the future then we make the following recommendations in terms of administration and design.

### 3.4.1 Administration

3. Consideration should be given to increasing the turnaround for a future package of support in terms of:
  - designing the funding package and assessing bids to allow for a better fit for different programmes and grant-holders
  - a longer deadline at the point of application for further funding to allow grant-holders to better articulate their potential impact and how their intended activities would mitigate impact on beneficiaries and improve sustainability
  - extending project delivery beyond 12 months.
- Supporting Change type funding could become universally available and we suggest building in an element of this type of support to focus on improving sustainability through existing programmes. This will avoid the need for an additional application process and will help grant-holders and Funding Officers to focus on sustainability earlier in the project lifecycle.
- We also recommend that existing monitoring arrangements could be adapted to measure organisational sustainability over the course of project delivery as an indicator of its effectiveness and influence on project impact. We suggest that the Fund should consider focusing support for sustainability and impact on organisations as a whole rather than for individual grant-funded projects where appropriate. In particular the Fund should look at those organisations which are likely to have a higher reliance on grants from the Fund for project activities and likely to be at risk of closure once funding has ended.
- Attempting to measure the impact of Supporting Impact as a separate activity has been difficult as our overall findings have shown. In the future we consider that

this is probably best administered within a programme so that the impact of a funding extension is built into existing evaluation arrangements.

### 3.4.2 Design

- We recommend that in the design of future programmes, the Fund puts in place a framework for benchmarking project success as a result of investment in support. The Fund could use the results of our evaluation to measure the impact of support by setting some performance criteria for example having between 33-50% of grant-holders remaining open one year after support has ended.
- Support should be offered that is relevant to the size of the organisation. The capability building needs of a smaller VCS organisation will be different to that of a large national charity, so there will be a need to tailor support as well as have clarity on what the purpose of funding such as Supporting Change and Impact for different types of organisation and funding arrangements.
- Funding Officers should be available to support grant-holders to understand what is being offered within a capability-building investment, what has been learned about what is likely to work best for them, , and additional support may need to be provided to help organisations determine their particular needs. We recommend that organisations are required to undertake an independent diagnostic before funding is awarded as well as get a full appreciation of the types of support on offer and the benefits and considerations of using one approach over another.
- Supporting Change type investment should be focused on one to two activities and should not be spent on project evaluations (since evaluation should be a part of a standard budget for a project grant).
- Funding for impact evaluations however should be explored to help organisations assess the impact of their wider work on beneficiaries using industry-recognised tools (including Social Return on Investment if appropriate) and cost/benefit analysis methods.
- The Fund will need to design a common framework for measuring the effectiveness of support provided to enable an on-going assessment of the impact on beneficiaries and sustainability. This framework could be used to bring together examples of support that works and help organisations understand the range of tools and services on offer so that they can make an informed decision on what support and which provider to choose.

## 4. Conclusions

Supporting Change and Impact has been a timely, welcomed and highly regarded resource. There has been an overwhelming sense of gratitude to the Fund from grant-holders for developing this funding, which has given grant-holders the breathing space and resources to dedicate their energies towards achieving greater sustainability and impact for their beneficiaries. There has been a high satisfaction rate with how the fund

was designed and administered and grant-holders have provided useful suggestions for how similar funds could be used in the future.

Although some projects have closed, some grant-holders are still on their journey towards greater sustainability, and others are using the outputs to promote their services to funders, stakeholders and their community. The diversity and nature of services delivered through grant-holders reflects the different ways in which the funding has been used. Flexibility in determining how to diagnose and source support has been perceived as important for grant-holders as well as being able to bespoke support to their own circumstances. However, evidence suggests that some of this support might not have been as effective as it could have been and we suggest that an independent diagnostic process would offer greater objectivity alongside a framework for measuring the impact of support provided before any activity is funded.

The evidence we have is limited, but does suggest that the funding has provided increases in the skills, knowledge, resources and capacity of funded grant-holders for sustainability. We have less evidence about the success in terms of extending impact because of the breadth of activity funded through Supporting Impact as a project continuation fund but projects that had received both Supporting Change and Supporting Impact are more likely to have remained open. By allowing flexibility on how funding was spent it is much harder to evidence the quality and quantity of outcomes achieved from using the funding for internally resourced activity compared to external support, yet the evidence we have, suggests that ensuring internal resource is made available to concentrate on planning for sustainability could have been a successful strategy. These findings have implications for the Fund in how it takes forward its policy on Building Capabilities - in particular the extent to which it may want to provide a market stewardship role to the VCS support sector. This is particularly in light of the way in which grant-holders have chosen to source their support and the extent to which the Fund may wish to quality assure and develop approved support provider directories.

Evidence from this evaluation suggests that organisations already have access to the support they believe they need and do not readily use directories or other tools to source this. We also found that support was offered and mostly sourced from organisations not necessarily associated with traditional VCS support. The Fund will need to strike a balance between developing a support market where quality assurance is not just measured in terms of standards (both quality and sector-specific) but also in terms of results achieved (customer feedback and impact) without restricting the choice and flexibility required by grant-holders to get the right type of support at the right time by the right provider. Organisations will also need to have support to be able to determine the strengths and weaknesses of a particular approach so that they can make an informed decision about the right support solution for their needs.

We suggest that developing a diagnostic process that enables grant-holders to reflect objectively on their support needs, with access to a flexible list of recommended and/or rated providers, or an assessment of their own organisational capacity and capabilities to facilitate an internal programme of development, would be an important feature of a future support fund.